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**Commonwealth of Massachusetts  
Massachusetts Office of Business Development**



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GOVERNMENT DOCUMENTS  
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**MASSACHUSETTS  
FINANCIAL RESOURCES  
DIRECTORY  
1992**

**William F. Weld, Governor  
Stephen P. Tocco, Secretary, Economic Affairs**



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## FINANCING FOR PRIVATE SECTOR

These programs are aimed at providing expanding and emerging firms with access to the capital necessary to support their growth. The programs are federally, state and privately sponsored with a specific public purpose. Most programs are aimed at providing debt capital for fixed assets (land, buildings and equipment), although several programs are aimed at providing equity and "near-equity" capital for growth needs.

## BUSINESS & INDUSTRY LOANS

### Farmers Home Administration

Federal - FmHA

The Farmers Home Administration is not the direct lender in this program, but it is a guarantor of lending private sources. The agency will guarantee banks and other eligible lenders in their loan assistance to the borrower. The loans may be used for business and industrial acquisition, construction, repair, modernization, purchase of land, machinery and equipment, furniture and fixtures, start up and working capital, processing and marketing facilities and pollution control. Interest rates consistent with market rates are determined between the borrower and the private lender. Loans are repayable over a maximum of 30 years on land, building and permanent fixtures, 15 years on machinery and equipment and 7 years on working capital. A 20-30 percent equity investment is required. Generally the minimum loan size is \$500,000 and the maximum loan is \$1,000,000.

#### Contact:

Richard Lavoie  
District Director  
Farmers Home Administration  
USDA  
U.S. Post Office Building  
127 Social Street Room 173  
Woonsocket, RI 02895  
(401) 765-5500

(Jurisdiction includes Eastern Massachusetts and all of Rhode Island)



For Western Massachusetts

Brian Anderson, District Director  
Farmers Home Administration, USDA

267 Amherst Road, Rd. 116  
Sunderland, MA 01375.  
(413 665-2603

Craig Dore, Chief  
Community & Business Programs

Farmers Home Administration  
USDA  
451 West St.  
Amherst, MA 01002  
(413) 253-3471

COMMUNITY DEVELOPMENT FINANCE CORPORATION  
STATE-CDFC

The Community Development Finance Corporation (CDFC) is a quasi-public organization which provides flexible financing for small business and real estate development projects with a demonstrated potential for public benefit. CDFC assistance aims to increase employment and affordable housing opportunities in low-income areas in Massachusetts. Such financing is offered through partnerships with local Community Development Corporations (CDCs). Most CDFC projects involve private investors in partnerships with public sector institutions to assist local development efforts. Created in 1975, CDFC has already invested \$10 million in small business and real estate development projects.

CDFC aims to:

- . Create or retain skilled jobs in low-income neighborhoods;
- . Stabilize deteriorating business districts;
- . Work with and support CDCs to develop affordable housing and revitalize commercial and industrial property.
- . Streamline the process of providing smaller amounts of capital to small businesses operating within CDC target areas.

TYPES OF ASSISTANCE

1. The Venture Capital Program provides debt and equity financing to small businesses. The typical investment range is \$100,000 to \$300,000, with CDFC providing up to one-third of the total project financing.
2. The Real Estate Program offers flexible short-to-medium term financing for CDC-sponsored real estate projects. The

program is designed to assist CDCs in developing affordable housing, revitalizing commercial and industrial property, and strengthening their developmental and financial capacity. CDFC can provide 20% of a project's cost, up to \$250,000 for financing specific and recoverable development expenses.

3. The Small Loan Guarantee Program broadens the availability of commercial credit to very small businesses located in CDC targeted areas. CDFC's loan to the CDC provides the cash collateral to secure a guarantee of 50%, up to \$25,000 of an approved bank loan to a small business.
4. The Commonwealth Enterprise Fund(CEF) is a specialized Small Business Investment Company (SBIC) should be licensed by the SBA and begin investment activity by the early spring of 1992. CEF is owned and capitalized by the Massachusetts Minority Enterprise Investment Corporation (MEIC), a multi-bank holding company and managed by CDFC. CEF will provide capital as well as management and technical assistance for minority and disadvantaged businesses in Massachusetts.
5. Thrift Fund. CDFC is one of the five loan organization agencies for the Thrift Fund, a \$100 million lending pool created by the savings banks for business investment.

Technical Assistance. CDFC's Minority and Women's Contractor Bond Program assists contractors to meet surety standards so they can qualify for bid, payment and performance bonds.



## TERMS OF ASSISTANCE

Terms vary. See description of programs under "Types of Assistance".

## ELIGIBILITY

CDFC funds are available to those projects which:

- . Have a clear public benefit;
- . Can demonstrate the potential for financial viability;
- . Are unable to meet their capital needs in the traditional markets;
- . Have the sponsorship of an eligible CDC.

## APPLICATION PROCEDURES

Applicants should contact CDFC to request an "Investment Programs" booklet that includes a description of the loan programs, qualifications and an application form. The CDFC Board of Directors meets monthly to vote on approval of loan proposals.

PUBLICATIONS: Booklet - "Investment Programs"; Brochure; Newsletter

## CONTACT:

Milton Benjamin, President  
Community Development Finance Corporation  
10 Post Office Square - Suite 1090  
Boston, MA 02109  
(617) 482-9141

## ECONOMIC DEVELOPMENT ADMINISTRATION

### FEDERAL-EDA

The Economic Development Administration (EDA) has a wide variety of programs aimed at encouraging economic development including public works programs, business loans, and economic planning grants. Four of the major programs and their current regulations are described below:

#### Title I Public Works and Development Facilities:

States, municipalities, special authorities, and public or private non-profit organizations are eligible to apply for grants for the acquisition, development, or expansion of public works facilities. Included are: water and sewer systems, site improvements for industrial parks, factories and port facilities. These funds cannot be used for the acquisition of land. Grants are for 50% to 80% of project cost depending on location. In order to apply for grants, an area must have an approved Overall Economic Development Program (OEDP) on file with EDA.

#### Title III Economic Development Planning Grants:

Government entities and organizations engaged in planning economic development activities can apply for direct grants to fund planning, staffing and administrative expenses related to economic development planning projects. A 25% non-federal match is required. Grants are for one year and are ordinarily renewed.



WHO APPLIES:

The EDA programs in general, the following are eligible to apply: the authorities and quasi-public corporations created by the state or by municipalities; non-profit organizations representing any redevelopment area or part thereof; and private profit-making entities.

CONTACT:

Economic Development Administration  
Thomas P. O'Neil Federal Building  
10 Causeway Street, Room 420  
Boston, MA 02222  
Attn: William Fitzhenry  
(617) 565-7235

INDUSTRIAL SERVICES PROGRAM

MASSACHUSETTS ECONOMIC STABILIZATION TRUST FUND  
STATE - EST

The Economic Stabilization Trust provides funding for manufacturing companies and manufacturing related distributors which are at risk of closing. Funds are in the form of conventional loans or guarantees with flexible terms to suit the company's' needs. Loans are made when financing from conventional lenders is insufficient or unobtainable. Collateral protection is required.

PURPOSE OF ASSISTANCE:

The Economic Stabilization Trust's purpose is to preserve as many jobs as possible and it's lending may be used to assist in a transfer of ownership, to restructure the business or to implement a turn around plan. Financing is generally for working capita. Also appropriate are employee buyouts.

WHO APPLIES:

Any Massachusetts company in a mature industry facing permanent layoffs or plant closing which wishes consulting or financial assistance. Company must be based in Massachusetts and plan to remain in state throughout term of assistance.

CONTACT:

Suzanne Teegarden  
Executive Director, Industrial Services Program  
1 Ashburton Place - Room 1413  
Boston, MA 02108  
(617) 727-8158

MASSACHUSETTS BUSINESS DEVELOPMENT CORPORATION

MBDC

The Massachusetts Business Development Corporation (MBDC) is a private corporation under state charter which provides loans to private for-profit and non-profit firms which are unable to obtain financing from conventional lenders. Loans may be used for purchase or construction of fixed business assets (land, plant, equipment) and for working capital loans. These loans must also expand employment opportunities in the state and make economic sense. Loan terms are similar to conventional loans although MBDC allows for floating interest rates and longer terms (as much as 20 to 25 years) and can provide up to 100% financing, depending on need. If it is warranted, MBDC will help secure an FMHA or SBA guarantee for the loan.

### MCDC

Massachusetts Business Development Corporation (MBDC) has created Massachusetts Certified Development Corporation (MCDC) for the purpose of providing expansion financing for Massachusetts businesses. MCDC is a statewide certified development company licensed under the U.S. Small Business Administration's Section 504 Program. Management is provided by MBDC's staff on a contract basis.

MBDC will become actively involved, if needed, both in the primary financing with a company's bank and on a consulting basis with MCDC to process applications under the SBA 504 program. In this manner MBDC will frequently be able to offer "one stop financing".(See description of SBA 504 program under Small Business Administration.)



## MBAS

The Massachusetts Business Advisory Services Corporation offers financial consulting services to Massachusetts Businesses needing in excess of \$1 million in financing. Serving primarily manufacturers and wholesale/distributors, MBAS will assist in restructuring existing financial arrangements or seek out new financing for expanding companies. Utilizing its extensive contacts in the financial community, MBAS will analyze your project, structure an appropriate financing package, and contact appropriate funding sources.

### WHO APPLIES:

Private for-profit or non-profit firms which are unable to obtain financing from conventional lenders.

### CONTACT:

Kenneth Smith, President  
Massachusetts Business Development Corporation  
One Liberty Square, 9th Floor  
Boston, MA 02109  
(617) 350-8877



MASSACHUSETTS CAPITAL RESOURCE COMPANY

STATE-MCRC

The Massachusetts Capital Resource Company became operative in 1978. It was formed by nine of the state's domestic (that is, in-state) life insurance companies to provide unsecured loans -- in the form of debt and equity financing -- to small and medium sized firms which are unable to secure comparable financing from other sources. The maximum loan amount for any one loan is \$5 million with maturities of not less than five years. An investment committee made up of members from the life insurance companies and a Gubernatorial appointee act on specific investments. An investment pool of \$100 million was established in 1978 and out of this, approximately \$20 million is made available each year for investments.

WHO APPLIES:

Small and medium sized firms unable to secure conventional financing. Those not eligible are real estate developers, financial intermediaries, retailers, construction contractors, public utility companies, and firms which have a Moody bond rating of Baa or higher.

CONTACT:

William J. Torpey, President  
Massachusetts Capital Resource Company  
420 Boylston Street  
Boston, MA 02116  
(617) 536-3900

## MASSACHUSETTS GOVERNMENT LAND BANK

### STATE

The Land Bank is a quasi-public state agency that provides financing and development assistance for real estate projects with a clear public purpose. The Land Bank typically provides below-market mortgage financing to affordable housing and economic development projects lacking sufficient public or private investment.

### WHAT DOES THE LAND BANK OFFER?

- Permanent mortgages from \$200,000 to \$4,000,000;
- Below market fixed interest rates with 15 to 30 year amortization schedules (actual rate and terms vary with project need);
- Technical assistance and development assistance for economic development projects to evaluate project feasibility, structure financing and carry out development tasks.

### TYPES OF PROJECTS:

- Projects that create new affordable housing or preserve housing where affordability is threatened including:
  - o rental housing of 20-40 units providing two or more bedrooms;
  - o limited-equity cooperatives with at least 20 units;
  - o single room occupancy lodgings; and
  - o transitional housing which includes social services and limited lease periods.

- Economic development projects that eliminate blight, create jobs and stimulate investment in areas of high unemployment or economic distress including:

- o industrial parks that include at least three sites;
- o multi-tenant industrial buildings for at least three firms and having the potential to attract new or expanding businesses;
- o critical sites (underutilized parcels important to the local economy) that can be a keystone for other economic activity;
- o downtown commercial buildings that stimulate additional commercial activity in the area; and
- o small business incubators that serve start-up or diversifying businesses, have the capacity to make business loans, provide shared services and have long term job creation potential.

#### WHO CAN APPLY?

- Private developers, non-profit organizations, cities and towns.

#### CONTACT:

Timothy Bassett, Executive Director  
Massachusetts Government Land Bank  
One Court Street - Suite 200  
Boston, Massachusetts 02108  
(617) 727-8257



## MASSACHUSETTS INDUSTRIAL FINANCE AGENCY

### STATE-MIFA

The Massachusetts Industrial Finance Agency (MIFA) is an independent public agency established in 1978 to stimulate private investment and job creation through a variety of financing incentives. Through MIFA, businesses and non-profit institutions obtain access to domestic and international capital markets. To date, MIFA has financed nearly 2,500 projects totaling over \$6 billion and providing 80,000 jobs across Massachusetts. While MIFA's commitment to serve as a catalyst for economic development remains unchanged, MIFA has grown into a full service public sector investment bank.

### Program Summaries

#### TAX-EXEMPT INDUSTRIAL DEVELOPMENT BOND PROGRAM

The federal Tax Reform Act of 1986 reduced the availability of private activity tax-exempt bonds and placed them under a statewide volume limit. The remaining tax-exempt IDB capacity is targeted at manufacturers undertaking capital expansion projects - land and new equipment purchases and the acquisition, renovation and construction of buildings. Under current Federal law, the program is scheduled to sunset on June 30, 1992.

The Federal Tax Act also removed the incentives for commercial banks to purchase IDBs. Today, bonds are sold either in the public market or through private placements with institutional investors. Often, a rated letter of credit from the borrower's bank or another credit enhancement source is necessary to attract investors. In

general, projects range from approximately \$1 million, for bond financing to be economical, to a federally imposed maximum of \$10 million. Borrowers can finance up to 2% of the issuance costs through bond proceeds.

Recent state legislation gave MIFA the authority to issue tax-exempt bonds for capital projects on behalf of Massachusetts' cities and towns. MIFA also issues tax-exempt bonds for research and development projects, and for environmental projects, including recycling plants and sewage, solid waste and hazardous waste facilities. These enterprises are not subject to the \$10 million maximum.

#### Non-Profit Institutions/Tax-Exempt Bond Program -

MIFA issues tax-exempt bonds on behalf of 501(c) (3) non-profit educational and cultural institutions. In addition to financing capital expansion projects, proceeds from tax-exempt bonds for non-profits can be used to refinance conventional asset-based debt. They are not subject to the statewide volume cap on tax-exempt issues.

The bonds of non-profit institutions are attractive to both borrowers and investors. For borrowers, MIFA requires only the security terms, collateral, financial covenants or debt service reserve funds dictated by investors, rating agencies or credit enhancers to assure the successful sale of the bonds. For investors, not only are non-profit bonds exempt from state and federal income taxes, they are also not subject to the Alternative Minimum Tax.

MIFA has developed several specific programs to lower interest rates and to streamline the issuance of bonds for non-profits. Among



these is a highly rated \$70 million letter of credit from British-based national Westminster Bank PLC to back non-profit institutions and a direct placement program with Student Loan marketing Association (Sally Mae) for two and four-year colleges and universities.

#### Taxable Industrial Bond Program

Taxable financing is an attractive and flexible alternative for numerous borrowers. Long used as a financing tool by larger corporate entities, taxable programs are gaining recognition nationally as economic development finance alternatives.

MIFA structures taxable financings for small business borrowers no longer eligible for tax-exempt funding, as well as for a wide array of industrial, commercial, and economic development projects. Proceeds can be used for acquisition, construction, or renovation of buildings, for purchase of land and equipment, for refinancing existing asset-based debt and, in some cases, for working capital. Taxable bonds can also be used in conjunction with tax-exempt bonds to finance costs that exceed the cap on tax-exempt capital expenditures or to finance issuance costs.

Taxable bonds offer borrowers substantial flexibility in rates and terms. There are no limits on bond amounts; taxable bonds are not subject to complex IRA restrictions; and in some instances taxable bonds are exempt from state taxes for Massachusetts investors. Because of these factors, taxable financings can be structured and issued more easily and more quickly than tax-exempt financings. Like tax-exempt bonds, taxable bonds can be either fixed to variable rate, and sold either in public markets or through

institutional investors. Recently, for example MIFA was selected by the MBTA Retirement Fund as an asset manager; the Retirement Fund will directly purchase \$20 million in taxable bonds to finance small business expansion projects.

#### Current Refunding Program

Refunding enables previous manufacturing and commercial tax-exempt IDB recipients to refinance their bonds through new tax-exempt issues. Many choose this route to get out from under interest rate raising "gross-up" clauses, which were triggered by lower corporate tax rates in the 1986 federal tax code. By refunding, companies can restructure debt to take advantage of changing markets and to modify restrictive covenants.

#### Seafood Loan Fund

This revolving fund was created to enhance the competitiveness of Massachusetts' \$1 billion seafood industry, which employs more than 12,000 people. Capitalized out of MIFA's own reserves at \$1.5 million, the fund provides low cost, fixed rate financing for companies involved in seafood processing. The four targeted areas are: (1) improved product quality, (2) utilization of fish by-product, (3) surimi production, and (4) improved distribution and marketing. Direct loans of up to \$200,000 are available to finance capital expansion or equipment purchases, excluding vessels. Rates are typically half-a-point above the prevailing five-year Treasury note.

#### Child Care Facilities Loan Fund

MIFA created the Child Care Facilities Loan Fund - the largest in the nation- to address the need for on-site child care for businesses



and non-profit institutions. This revolving direct loan is capitalized out of MIFA's own reserves, and provides loans of up to \$250,000 for construction, renovation, expansion, and equipment purchases for on-site child care facilities. Corporate sponsorship, in the form of an equity contribution and commitment for 50% of the allotted spaces, is required. Rates are typically half-a-point above the prevailing five-year Treasury note. In October 1988, MIFA's Board of Directors doubled the size of the revolving fund to \$1.5 million.

### Thrift Fund

MIFA is one of the five quasi-public authorities designated to originate, service and monitor direct loans from the Thrift Fund, a \$100 million pool of capital designated to serve businesses that cannot finance conventional financing. MIFA originates all Thrift Fund loan requests over \$250,000 for plant expansions and equipment purchases. Priority is given to projects that create a significant number of new jobs in areas of high unemployment.

### Massachusetts Export Partnership

In conjunction with the Export-Import Bank of the United States and the Massachusetts Office of International Trade and Investment, this program helps companies obtain the funds they need to pursue export activities. It provides a 90% guarantee for Ex-imbank on the repayment of working capital loans in the event of default by

exporters. Loans may be used to purchase materials, products, services, and labor for production of goods and services for current or future export sales. Loans can also be used for marketing, trade show participation, and other promotional activities. The term of the loans is usually up to one year, and may be extended on a case-by-case basis.

### Mortgage Insurance Program

This program aids companies whose need for hard asset expansion capital exceed their credit limit. With MIFA insuring a portion of a loan, businesses can borrow more of a project's costs; lenders can increase loan amounts without increasing their net exposure. MIFA insures conventional loans, as well as bond financing. Insured amounts range from 10% to 40% of the loan, with a ceiling of \$500,000 for real estate and \$250,000 for equipment.

#### WHO APPLIES:

Requirements for MIFA's financing alternatives vary; therefore, companies and non-profit institutions contemplating MIFA financing are urged to contact a MIFA representative directly to determine eligibility before committing to a project.

#### CONTACT:

Joseph D. Blair, Executive Director  
Massachusetts Industrial Finance Agency  
75 Federal Street  
Boston, MA 02210  
(617) 451-2477



MASSACHUSETTS TECHNOLOGY DEVELOPMENT CORPORATION

STATE-MTDC

Massachusetts Technology Development Corporation (MTDC) is an independent state agency providing venture capital financing for small and emerging high-tech firms which offer the potential to enhance employment growth in Massachusetts. Since 1979 MTDC has invested approximately \$18 million in 55 Massachusetts companies, 8 of which are now publicly-traded corporations.

MTDC makes both debt and equity investments, usually in the form of a direct purchase of common or preferred stock accompanied by a loan on very favorable terms. All MTDC investments are made as part of a joint venture with conventional private sector investors. MTDC assists companies to locate compatible private sector investors for such joint ventures.

MTDC will invest a minimum of \$100,000 and a maximum of \$300,000 in a first-round institutional financing. Generally, the private sector investors who are MTDC's partners will invest two to four times the amount of capital which MTDC provides.

In addition to its Investment Program, MTDC offers a Management Assistance Program whereby staff assists entrepreneurs to launch or expand their businesses by reviewing their business plans, providing counsel as to the most feasible ways of raising necessary capital for private and/or public sources, and assisting these companies in locating alternative sources of funding.

WHO APPLIES

.ny business can apply by submitting a business plan with a brief cover letter indicating the amount of capital required.

CONTACT:

John Hodgman, President  
MTDC  
131 State Street  
Suite 215  
Boston, MA 02109  
Tel:(617) 723-4920  
Fax:(617) 723-5983

## 1% INVESTMENT TAX CREDIT

### STATE

There is a 1% credit against state excise tax liability on the cost or other federal basis of depreciable real and tangible property purchased during the year it is used and situated in Massachusetts. Also covered is tangible property rented or leased from local and regional business development corporations. In computing the credit, the cost of the property must be reduced by the amount of any federal credit taken. Unused portions of the tax credit may be carried forward up to 3 years, or indefinitely.

Manufacturing companies, agricultural and commercial fishing enterprises and those corporations primarily engaged in research and development are eligible. Both foreign and domestic corporations doing business in Massachusetts may benefit. Each business must apply to the Revenue Department for the 1% investment credit.

Total credits taken by a corporation in a given year cannot exceed 50% of excise liability. Credits not allowed because of this limitation may be carried forward indefinitely. Also, there is a statutory minimum excise tax of \$456.00.

#### WHO APPLIES:

Corporations engaged in manufacturing, research and development, commercial fishing or agricultural enterprise.

CONTACT:

Massachusetts Department of Revenue  
Taxpayers Assistance Bureau  
Corporate Excise Tax  
100 Cambridge Street  
Boston, MA 02202  
(617) 727-4271



## SMALL BUSINESS ADMINISTRATION

### FEDERAL-SBA

The federal Small Business Administration (SBA) administers various programs which provide financial and management assistance to small businesses. The agency's most active programs include the following:

Small Business Loan Guarantee Program (Section 7A): Small manufacturers, wholesalers, service enterprises, farmers, and other businesses can receive an SBA guarantee for up to 90% (\$750,000 maximum) of a loan made by a private lender. (Under very limited circumstances, a direct loan of up to \$150,000 can be arranged.) Eligible businesses are those which are independently owned and operated, not dominant in their field of business, and fall within SBA size guidelines (these vary according to type of business activity).

#### Certified Development Company Loans (Section 504)

The SBA 504 Program is an alternative form of expansion financing. The primary objective of the 504 program is to achieve economic development through job creation and retention. Specifically, the program provides second mortgage financing at a fixed rate for small business concerns acquiring real property and/or equipment when such financing is not available from conventional sources. The SBA portion of the project financing is usually limited to \$750,000.

The loan proceeds may be applied to:

Fixed Assets:

- . purchase of land and/or buildings
- . machinery and equipment
- . construction
- . renovations/leasehold improvements
- . related costs (legal, architectural, etc.)

The financing package is a combination of two loans involving a certified development company and a participating bank. The typical structure of the financing, while somewhat flexible, is usually broken down as follows:

50%--Participating bank (of applicant's choice) at bank term and bank rate.

40%--SBA debenture, based on Treasury Bond rates.

10%--Equity injection by applicant.

Eligible businesses, under the Small Business Administration's small business classification, for 504 loans only, are defined as for-profit companies generating active (not investment) income whose total net worth is less than \$6 million. The average net profit of those companies, after taxes, must be less than \$2 million per year for the last 2 years.

Small Business Investment Companies (SBICs) and Section 301 (d)

Small Business Investment Companies (301 (d)s)

SBICs and 301 (d) SBIC's are capital corporations formed to encourage private sector investment in small businesses. 301 (d) SBICs focus on financing socially or economically disadvantaged firms. Equity funds, long-term loans, and management assistance are provided for start-ups, expansions or acquisitions, particularly to innovative ventures developing new products or markets. Regular and 301 (d) SBICs must be chartered as corporations or as limited partnerships with a corporate general partner. Both must have adequate capital (at least \$1,000,000) at the present time to provide reasonable assurance that they can be operated actively and profitably.

CONTACT:

U. S. Small Business Administration  
Boston District Office  
10 Causeway Street  
2nd Floor Room 265  
Boston, MA 02222-1093

Richard F. Tomeo, Deputy Director  
(617) 565-5662  
Marie Record, Asst. Director Finance & Investment  
(617) 565-5627

Marvin Clapp, Director  
U. S. Small Business Administration  
409 3rd St. SW  
Washington, DC 20416  
(202) 205-6526



## TAX INCENTIVES FOR REHABILITATION OF OLDER STRUCTURES

### MASSACHUSETTS HISTORICAL COMMISSION - STATE

Tax incentives for rehabilitation of historic and other old buildings were enhanced by the Economic Recovery Tax Act of 1981 (ERTA); and were changed by the Tax Reform Act of 1986.

If a structure is a "certified historic structure", the rehabilitation investment tax credit, normally a 10% investment tax credit (ITC), is increased to 20% of the expenditures on the structure. Because of the dollar for dollar savings in Federal income tax due, the ITC is a potent incentive and shelter for owners and developers with sufficient tax liability.

The three-tier investment tax credit in the 1981 Tax Act has been replaced by a two-tier credit:-

Tier #1 is a 20% rehabilitation investment tax credit (RITC) for certified rehabilitation of certified historic structures.

Tier #2 is a 10% credit for rehabilitation of non-historic buildings constructed before 1936

The 10% credit is limited to rehabilitation expenditures on buildings to be used for non-residential purposes, but the 20% RITC is available for both income-producing residential and non-residential buildings.

The RIC and CRIC are available only if the taxpayer elects to use the straight-line method of cost recovery with respect to rehabilitation expenditures. The depreciable basis of qualified expenditures must be reduced by 100% of the RITC.



There are no procedures for obtaining predeterminations or approvals from IRS as to the meeting of requirements. If the requirements have been met the plans are executed as proposed.

Taxpayers must accordingly be careful to establish compliance with requirements prior to starting rehabilitation. The RITC and 10% credit are only available in respect to a building that has been "substantially rehabilitated". A building is considered "substantially rehabilitated" when "qualified rehabilitation expenditures during a 24-month period (or 60-month period for a pre-approved phased rehabilitation) must exceed the greater of the adjusted basis of the building or \$5,000. The adjusted basis will generally be equal to its cost of acquisition (but not the land) plus improvements less any permitted depreciation or cost recovery.

If a lessee is to qualify for RIC or CRIC the term of the lease would have to be at least 27.5 or 31.5 years, (as applicable) from the completion of the rehabilitation.

Under the Tax Reform Act, rental real estate is considered a "passive" income, regardless of the taxpayer's material participation. For further information on changes in Passive Losses and Credits, contact the Massachusetts Historical Commission.

"Soft costs" include items like appraisal fees, architectural fees, title and mortgage insurance fees, legal fees, development fees and investment advisory fees. When these fees are incurred in connection with acquisition or development of the real property, they are properly added to the cost basis of the property.

A certified historic structure includes "any building listed in the National Register of Historic Places", or "is located in a registered historic district and contribute to the significance of such district". National Park Service regulations, 26 CFR Part 67, provide standards for certified rehabilitation, and there is a procedure to obtain a preliminary certification based upon both a State Historic Preservation Officer (SHPO) and National Park Service's review of the rehabilitation plans and specifications.

Obtaining preliminary approval will facilitate the sale of interests in the project to investors and will expedite final certification of rehabilitation upon its completion. The National Park Service must issue a final certification of the rehabilitation for the RITC to be allowed. The RITC and 10% credit are intended to revitalize urban areas by functioning as incentives to private investment in such areas. The owner, developer, and investor should continuously evaluate all necessary requirements before commencing rehabilitation.

WHO APPLIES:

The owner, often with the assistance of a preservation consultant, applies for certification for the historic rehabilitation tax credit. This application must be submitted in duplicate to The Massachusetts Historical Commission, which reviews it and forwards it with comments to The National Parks Service, a division of The Department of The U.S. Department of the Interior.

CONTACT:

Judith McDonough, Executive Director, SHPO  
Massachusetts Historical Commission  
80 Boylston Street, Boston, MA 02116  
(617) 727-8470



# MASSACHUSETTS THRIFT INSTITUTIONS FUND FOR ECONOMIC DEVELOPMENT

## State

### THRIFT FUND

The Thrift Fund is a \$100 million lending pool which draws its resources from the approximately 250 thrift institutions (savings banks, cooperative banks, and savings and loans associations) in Massachusetts and uses the capital to finance community and economic development projects throughout the state. The Fund's paramount objective is creating and retaining jobs for Massachusetts workers.

The Thrift Fund operates three lending programs, the Participation Loan Program, and the CRA (Community Reinvestment Access) Initiative and the Direct Loan Program, under which financing is made available for a variety of public purpose projects.

Loan funds may be used to:

- . develop affordable and/or innovative housing;
- . revitalize urban cores;
- . expand small business;
- . support non-profit organizations undertaking public purpose projects; and
- . stabilize mature industry

Eligible borrowers must apply for Thrift Fund assistance either through a thrift institution under the Participation Loan Program or CRA initiative, or through one of the Fund's five servicing agents under the Direct Loan Program.

Thrift Fund financing may be used for:

- . commercial real estate mortgages;
- . equipment acquisitions;



- . working capital;
- . bridge financing;
- . product development; and
- . construction financing

Thrift fund financing may not be used for start-up costs or as venture capital.

## TYPES OF ASSISTANCE

### PARTICIPATION LOAN PROGRAM

Under this program, a participating thrift bank enters into partnership with the Fund to create a financing package for an eligible borrower. Together, the bank and the Fund provide the loan, set an appropriate term and rate, and share the collateral equally. The participating thrift must provide at least 50% of the requested loan amount. The purpose of this program is to support thrift banks in their efforts to increase their community-based lending while providing financing for credit-worthy and publicly beneficial economic development ventures.

### CRA INITIATIVE

In October 1991, the Thrift Fund introduced its CRA Initiative in an effort to support and encourage smaller, community-oriented thrift banks in their community reinvestment lending. The Thrift Fund has set aside \$15 million in capital specifically for use in joint lending arrangements with such community banks to better position them to meet the sometimes specialized financing needs of

the community and economic development projects. Under the CRA Initiative, the Thrift Fund will extend up to 50% (or a maximum of \$500,000) of the loan amount, help determine an appropriate term, and share the rate and collateral equally with the participating bank. Working hand-in-hand with the Fund, community banks gain experience in public purpose lending which may further their ongoing community reinvestment efforts.

#### DIRECT LOAN PROGRAM

Credit-worthy economic development projects may also receive Thrift fund financing in the form of a Direct Loan. Under the Direct Loan Program, the Thrift Fund provides all or part of a financing request after working in cooperation with one of its five servicing agents to create a financing package which meets a borrower's needs. Those agents are:

Community Development Finance Corporation (CDFC);

Massachusetts Business Development Corporation (MBDC);

Massachusetts Government Land Bank (LAND BANK);

Massachusetts Industrial Finance Agency (MIFA).

#### TERMS OF ASSISTANCE

Depending on the specific needs of an eligible borrower, interest rates and terms can vary. For each participation and CRA Initiative Loan, the Thrift Fund matches the participating bank's interest rate and works with the bank to establish the term. For Direct Loans, the Board of Directors will determine the term of rate (based on the current Thrift Fund base rate) which best serves the needs of each borrower.



Although there is no established minimum loan amount, some financing requests may be considered too small to warrant Thrift Fund assistance. The maximum loan limit is \$1 million. Average loan size generally falls within the \$200,000 to \$800,000 range.

#### APPLICATION PROCESS

Inquiries for general information may be made directly to the Thrift Fund. Applications for loans made under the Participation Loan Program or CRA Initiative must be submitted by one of the Thrift Fund's member institutions. Applications for financing under the Direct Loan Program must be submitted by one of the Fund's five designated servicing agents.

Submissions generally include the Thrift Fund summary application, and \$500 application fee, a business plan, financial statements, projections, appraisals, credit analysis and a recommendation from the sponsoring thrift institution or originating agency.

A minimum 1% origination fee applies to all loan commitments.

#### AVAILABLE PUBLICATIONS

Annual Reports

Brochures: Participation Loan Program

CRA Initiative

Newsletter: Thrift Funding

#### CONTACT:

Michael Wilson, Program Manager  
The Thrift Fund  
50 Congress Street  
Boston, MA 02109  
(617) 227-0404



## TRADE ADJUSTMENT ASSISTANCE FOR FIRMS

### FEDERAL-ETA

The New England Trade Adjustment Assistance Center, Inc., (NETAAC) helps Massachusetts manufacturers who are hurt by import competition by providing them with consulting services at reduced costs. Under this program, which is administered by the U.S. Department of Commerce, the federal government will pay up to 75% of the cost of projects including: export assistance, total quality management, market studies, product diversification, sales organization development or improvement, creative services for promotional literature, total quality management, industrial engineering, plant layout and workflow improvements, development of just-in-time systems, worker incentive systems, energy surveys; development of cost systems, loan preparation assistance; MIS software development and general strategic planning.

#### WHO APPLIES:

Eligible firms include manufacturers who, in the preceding two years, have suffered a decline in sales or production and a decline, or impending decline, in employment as a result of increasing import competition. There is no charge to determine eligibility and NETAAC assists firms with the application.

It should be noted that there is a parallel program to provide special income protection to workers who lose their jobs or whose hours of work are reduced as a result of increased foreign imports. This program is administered by the Department of Labor. Once the job type and individual are designated as eligible, weekly compensation in

addition to the state's unemployment insurance payment is paid. Seventy percent of the worker's previous wage, or the national average weekly manufacturing wage, whichever is greater, will be paid for up to 52 weeks. Counselling and some financial assistance for retraining, job search, and relocation are also available under certain circumstances. For more information on this program (for workers), contact your local Massachusetts Division of Employment Security Office.

**CONTACT:**

Richard McLaughlin, Executive Director  
New England Trade Adjustment Assistance Center  
120 Boylston Street  
Boston, MA 02116  
(617) 542-2395

## FARM ASSISTANCE PROGRAMS

The following programs are designed to assist farmers in rural areas. This assistance is in the form of loans for a variety of purposes: emergency disaster, operating, farm ownership, youth loans, soil, water and loan guarantees.

Although the eligibility and purpose of each program varies, the essence of these programs is to assist in the maintenance and growth of the family farm in rural America.



FARMERS HOME ADMINISTRATION

U.S. Department of Agriculture

EMERGENCY DISASTER LOANS  
Federal - FmHA

The Farmers Home Administration (FmHA) can make emergency (EM) loans in counties where physical property damage or severe production losses occur as a result of a natural disaster that substantially affects farming, or aquaculture operations. EM loans will be made available to applicants having qualifying physical and/or production losses in a county named by FEMA as eligible for Federal assistance under a major disaster or emergency declaration by the President or under a natural disaster determination by the Secretary of Agriculture and to applicants having qualifying severe physical property losses when, prior to action by the President or the Secretary, the FmHA Administrator has determined that such losses have occurred as a result of a natural disaster. Farmers, ranchers or aquaculture operators in counties adjacent to such named counties may also apply for EM loans.

A natural disaster determination by the Secretary of Agriculture is initiated by a formal written request by a Governor or Indian Tribal Council. However, no such request is needed to initiate the action of the FmHA Administrator.



## WHO CAN GET A LOAN?

To qualify for an EM loan an applicant must:

1. Be an established farm operator (owner or tenant), who was operating and managing a farm at the time of the disaster in a county which was named as eligible for EM loans. An applicant can be farming as an individual, cooperative, corporation, partnership, or joint operation.
2. Be a citizen of the United States or a legal resident alien. If an application is a cooperative, corporation or partnership, or joint operation, more than 50 percent interest in the entity must be owned by U.S. citizens or a legal resident aliens, and the entity must be primarily engaged in farming.
3. Have the industry, ability, training or experience necessary to repay the loan, and show ability to repay it.
4. Provide evidence of having suffered a qualifying physical loss, or a production loss of at least 30 percent of combinations of similar type crops. Except, applicants are precluded from receiving loans based on crop production losses that could have been insured by comprehensive crop insurance programs sponsored by the Federal Crop Insurance Corporation.
5. Be unable to obtain suitable credit from a source other than FmHA.
6. Provide adequate security.

All applications will be considered without regard to age, race, color, creed, sex, marital status, handicap or national origin.

What Security is Required: Collateral for EM loans must be of such a nature that repayment of the loan is reasonably assured.

Consideration will be given to the applicant's managerial ability, soundness of operation, and projected earnings.. The collateral will consist of the best lien obtainable on all assets owned by an applicant who is an individual. In the case of an entity applicant, the best lien will be taken on all assets owned by the entity, and all assets owned by each individual having an ownership

interest in the entity. If the usual collateral is not available as a result of the disaster, exceptions to the security requirements may be made, provided certain other conditions can be met. In such cases, the borrower's repayment ability may also be considered. Whenever any FmHA Em loan is secured by crops, comprehensive crop insurance is required for at least the minimum level of coverage for any crops eligible for programs sponsored by the Federal Crop Insurance Corporation. If crop insurance was available, but not in force at the time of the disaster, FmHA will not take favorable action on applications from such applicants.

Is There A Termination Date For Filing?:

Yes. Applicants for EM loans must be filed within 8 months of the date of the disaster decision by the President, Secretary or Administrator.

Where Are Applications for Loans Received?:

Applications are received at FmHA County Offices. These offices are listed in the telephone directory under U.S. Government, U.S. Department of Agriculture. Application information may also be obtained by writing the Farmers Home Administration, Washington, DC 20250, giving your name and address and the name of the county in which the farming operation's headquarters are located.



UNITED STATES DEPARTMENT OF AGRICULTURE  
FARMERS HOME ADMINISTRATION  
FARMERS LOAN GUARANTEES  
FEDERAL - FmHA

The Farmers Home Administration (FmHA) may guarantee loans made by eligible agriculture lenders to family farmers for farm land purchase, real estate improvements, refinancing debts, purchase of livestock and/or equipment, and operating purposes. Guaranteed loans are made and serviced by legally organized private lending institutions such as commercial banks, Farm Credit, Agricultural Credit Associations, (Farm Credit Service), insurance companies, and savings and loan associations. The Commonwealth of Massachusetts Thrift Fund has been designated as an eligible lender for FmHA guarantee program. FmHA provides the lender with a guarantee not to exceed 90 percent of any loss of principal and interest on a loan. The use of an FmHA guarantee may enable a private lender to serve, to continue to serve, a farmer who cannot be served on a wholly conventional basis due to risk factors.

All applications for FmHA guaranteed loans are treated with equal consideration, without regard to sex, age, race, color, religion, handicap or national origin or marital status.

#### WHO CAN BORROW?

Individuals, partnerships, joint operators, legal resident aliens, corporations and cooperatives that do, or will conduct family-size farming operations. A "family farm" is considered to be one that a family can operate and manage itself. More than 50-percent



interest in the corporations, joint operations, partnerships and cooperatives must be owned by U.S. citizens or legal resident aliens, and the entity must be managed by a U.S. citizen or legal resident alien.

## HOW CAN LOANS BE USED?

### FARM OWNERSHIP LOANS

To buy, improve or enlarge farms. Uses may include construction, improvement or repair of farm homes and service buildings; improvement of on-farm water supplies; installation to pollution control or energy conservation measures; refinancing debts; clearing or improving farmland; establishing or improving forests; providing for the production of fish under controlled conditions; establishing non-agricultural enterprises that help farmers supplement their farm income.

### OPERATING LOANS

To pay for items needed for farm operations, including livestock, poultry, farm and home equipment, feed, seed, fertilizer, fuel, chemicals, hail and other crop insurance, family living expenses, minor building improvements, water system development, hired labor, pollution abatement and methods of operation to comply with Occupations Safety and Health Act.

### SOIL AND WATER

To develop, conserve or make proper use of land and water resources, including development of wells and other sources

of water, irrigation systems, drainage improvements, and improvements associated with forestry, fish farming, land protection or pollution control.

#### WHAT ARE THE INTEREST RATES AND TERMS?

The interest rate on a guaranteed loan is negotiated between lender and borrower. It cannot exceed the rate given the lender's average farmer customers.

Terms for repayment vary according to loan purpose and nature of security. Farm ownership and other real estate loans may run for up to 40 years. Chattel loans for operating purposes or lines of credit may range from 1 to 7 years, and in some cases for 15 additional years.

#### WHAT ARE THE LOAN LIMITS?

Real estate loans (farm ownership, soil and water) -- \$300,000.  
Production (chattel) loans and operating line of credit --\$400,000.

#### IS THIS A LENDER'S OR AN FmHA LOAN?

This is the lender's loan. The loan is made and serviced to conclusion by the lender. If everything works well and the borrower is able to repay the loan, no taxpayer's money will be used except for administrative expenses. If a loan fails, FmHA will reimburse the lender with Federal funds under terms and conditions specified in the guarantee.

#### WHAT ARE THE TYPES OF GUARANTEES?

There are two types of guarantee commitments, the Loan Note Guarantee and the Contract of Guarantee. The Loan Note Guarantee is the signed commitment issued by FmHA setting forth the terms and conditions of the guarantee of a fixed loan amount. The Loan Note Guarantee may be used as the instrument of guarantee in all loan programs and is readily marketable by the lender in the secondary market. The Contract of Guarantee (line of credit) is used for specific operating loan (OL) purposes only, and may not be sold in the secondary market.

Holders (investors) of "Loan Note Guarantees" are protected by the full faith and credit of the United States Government.

#### WHAT ABOUT MARKETING FIXED AMOUNT LOANS?

For the guaranteed portion, the lender has the following three options:

1.        **ASSIGNMENT OPTION:** The lender may assign, using the FmHA assignment agreement, all or part of the guaranteed portion of the loan to one or more holders. If the assignment and option is used, the holder is protected by the full faith and credit of the United States Government on the guaranteed portion of the loan.
2.        **MULTI-NOTE SYSTEM:** When this option is selected by the lender, upon disposition the holder will receive one of the borrower's executed notes and a Loan Note Guarantee attached to the borrower's note. If the multi-note system



is used, the holder is protected by the full faith and credit of the United States Government on the guaranteed portion of the loan.

3. PARTICIPATION OPTION: The lender may sell participations in the guaranteed portion of the loan in accordance with its regular procedures, but must retain the unguaranteed portion of the loan.

#### WHAT HAPPENS AFTER A LENDER SELLS, PARTICIPATES, OR ASSIGNS PART OR ALL OF A LOAN?

The lender contracts with FmHA (by executing a lender's agreement) to collect principal and interest payments and service the loan. Servicing includes keeping in touch with the borrower in order to be aware of any potential problems such as late payment, etc., and meeting with the borrower if a problem does occur.

The local lender is responsible for distribution of principal and interest payments to holder(s), assignee(s) or participant(s), as appropriate. The local lender may deduct a servicing fee agreed upon in advance between the lender and the holder(s).

#### DELINQUENCY AND DEFAULT

The lender must notify FmHA when a borrower is 30 days overdue on a payment and is unlikely to bring the account current within 60 days, or if a loan otherwise is a problem.

The lender is encouraged to work with the borrower to resolve any problems. In case of default, any holder(s) will be paid in full.

The holder(s) must first request payment from the lender. If the lender does not make payment in full, FmHA will. If the loan cannot be reconstituted, the lender will ordinarily be responsible for liquidating the account in a manner agreed upon by FmHA.

#### CAN AN APPLICANT OBTAIN MORE THAN ONE GUARANTEED LOAN?

More than one loan guarantee can be executed with the same or different lenders for an applicant provided each loan is secured with separate identifiable collateral and limited to a combined total of \$400,000 for an operating loan and \$300,000 for a farm ownership or soil and water loan. The amount of loans guaranteed for an individual who also is a principal partner in a partnership, stockholder in a corporation, or member of a joint partnership, corporation, joint operation or cooperative can receive to the difference between the amount received by the individual and the maximum amount. Applicants who are principal members of a partnership, corporation, joint operation or cooperative which has received a guaranteed loan, will be limited to the difference between the amount received by the entity and the maximum amount.

#### CONTACT:

Information on procedures by which loans are guaranteed may be obtained by lenders or prospective borrowers from FmHA county offices (usually located in county seats, listed in telephone directories

under U.S. Government), or at the end of this section: Farm Assistance Programs. Farmers may apply directly to private lenders or make preliminary inquiry through FmHA county offices. Applications ultimately are received and processed by lender institutions subject to FmHA approval.



U. S. DEPARTMENT OF AGRICULTURE  
FARMERS HOME ADMINISTRATION  
FARM OPERATING LOANS  
Federal -FmHA

PURPOSE:

To meet operating expenses, including feed, seed, livestock, fertilizer, farm and home equipment, family living expenses, insurance, hired labor; to refinance unsecured creditors and intermediate term debts; to finance recreational and nonagricultural enterprises to add to family income; to pay for mandated safety and pollution control changes.

WHAT ARE THE TERMS?

Interest rates for insured loans vary according to cost of money to the Government. A reduced rate is available to limited-resource borrowers. Interest rates for guaranteed loans are negotiated between the borrower and the lender.

Repayment is scheduled according to the borrower's ability to repay, and the purpose for which the loan is made. Funds advanced for other purposes may be repaid in from 1 to 7 years. In some cases, an additional seven years may be permitted.

The limit is \$200,000 for an insured farm operating loan, \$400,000 for a guaranteed loan.

CONTACT:

Applications are received at FmHA County Offices. These offices are listed in the telephone directory under U.S. Government, U.S. Department of Agriculture and at the end of this section: Farm Assistance Programs. Application information may also be obtained by writing to the Farmers Home Administration, Washington, DC 20250, giving your name and address and the name of the county in which the farming operation's headquarters is located.

U. S. DEPARTMENT OF AGRICULTURE  
FARMERS HOME ADMINISTRATION  
FARM OWNERSHIP LOANS  
Federal - FmHA

PURPOSE:

To buy farmland and associated real estate improvements; refinance debts; construct, repair or improve buildings; improve farmland; develop water facilities; and establish farm-based business enterprises to supplement farming income.

WHAT ARE THE TERMS?

Interest rates for insured loans vary according to the cost of money to the Government. Reduced rates are available to limited resource borrowers. Interest rates for guaranteed loans are negotiated between the borrower and the lender. The maximum repayment term is 40 years.

Each loan must be adequately secured by real estate, but the FmHA may lend up to 100 percent of the value of the secure property. There is no arbitrary "down payment" requirement.

Borrowers who receive insured loans from FmHA are required to "graduate" to regular private credit sources as soon as they are able. The dollar ceiling is \$200,000 for an insured loan, \$300,000 for a guaranteed loan.

CONTACT:

Applications are received at FmHA County Offices. These offices are listed in the telephone directory under U.S. Government, U.S. Department of Agriculture and at the end of this section: Farm Assistance Programs. Application information may also be obtained by writing to the Farmers Home Administration, Washington, DC 20250, giving your name and address and the name of the county in which the farming operation's headquarters is located.



U. S. DEPARTMENT OF AGRICULTURE  
FARMERS HOME ADMINISTRATION  
SOIL AND WATER LOANS  
Federal-FmHA

PURPOSE:

To help individual farmers develop, conserve and properly use their land and water resources, and abate pollution. Funds may be used to drill wells and otherwise improve water supply systems for irrigation, home use, and livestock; to buy irrigation equipment; to acquire a water supply; to install drainage or waste disposal facilities.

Soil improvement practices which may be financed under this program include fertilizing, seeding, sodding, land leveling, establishing permanent pastures and farm forests, installing erosion and pollution control measures.

TERMS:

Interest rates for insured loans vary according to the cost of money to the Government. Interest rates for guaranteed loans are negotiated between the borrower and the lender. The maximum repayment term is 40 years.

Each loan must be adequately secured by real estate, but FmHA may lend up to 100 percent of the value of the security property. There is no arbitrary "down payment" requirement.

Borrowers who receive insured loans from FmHA are required to "graduate" to regular private credit sources as soon as they are able.



The dollar ceiling is \$200,000 for an insured loans, \$300,000 for a guaranteed loan.

**CONTACT:**

Applications are received at FmHA County Offices. These offices are listed in the telephone directory under U.S. Government, U.S. Department of Agriculture and at the end of this section: Farm Assistance Programs. Application information may also be obtained by writing to the Farmers Home Administration, Washington, DC 20250, giving your name and address and the name of the county in which the farming operation's headquarters is located.

U.S. DEPARTMENT OF AGRICULTURE  
FARMERS HOME ADMINISTRATION  
YOUTH PROJECT LOANS  
Federal-FmHA

PURPOSE:

To enable young people between the ages of 10 and 20 years, who reside in a town or city with a population of not more than 10,000, to borrow on their own signature for income-producing projects.

Each project must be part of an organized and supervised program of work such as in school, 4-H club, or Future Farmers of America activity, and produce sufficient income to repay the loan.

These loans can finance nearly any kind of farm or nonfarm income-earning project including lawn and garden service, livestock and crop production, repair shops, catering services, crafts sales, roadside markets, and many others.

TERMS:

Interest rates are the same as for farm operating loans. The repayment schedule is worked out between the FmHA county supervisor and the applicant and is based on when the product is sold or the service paid for. The loan is secured by a promissory note signed by the applicant, any equipment, livestock and/or crops financed by the loan and occasionally a cosigner.

LIMITATION:

The loan limitation for a youth loan is \$5,000.

**CONTACT:**

Applications are received at FmHA County Offices. These offices are listed in the telephone directory under U.S. Government, U.S. Department of Agriculture and at the end of this section: Farm Assistance Programs. Application information may also be obtained by writing to the Farmers Home Administration, Washington, DC 20250, giving your name and address and the name of the county in which the farming operation's headquarters is located.



FARMERS HOME ADMINISTRATION COUNTY OFFICES

CONTACT:

Everett C. Paluska, State Director or  
Daniel Beaudette, Chief of Farmer Programs  
State Office  
USDA, Farmers Home Administration  
451 West St.  
Amherst, MA 01002  
(413) 253-3471

MASSACHUSETTS - COUNTY OFFICES

DISTRICT I

Carrie L. Novak  
County Supervisor  
1 Haywood Place,  
55 Lake Street  
Gardner, MA 01440  
(508) 632-1864

Peter P. Laurenza  
County Supervisor  
4 Whalley St.  
Hadley, MA 01035  
(413) 584-7992

Leonard J. Shuzdak, Jr.  
County Supervisor  
Federal Bldg.  
78 Center St. (Arterial)  
Pittsfield, MA 01201  
(413) 443-9624

Randy I. Kleiner  
County Supervisor  
55 Federal Street  
Greenfield, MA 01301  
(413) 772-0197

Robert E. Timinski  
County Supervisor  
688 Main St.  
Holden, MA 01520  
(508) 829-6626

Linda J. Hawks  
County Supervisor  
176 Worcester -Providence Rd.  
Route 146, Suite 201  
Sutton, MA 01590  
(508) 865-0528

MASSACHUSETTS AND RHODE ISLAND - COUNTY OFFICES

DISTRICT II

James W. Shaw  
County Supervisor  
4 Barlows Landing Rd.  
Unit 18  
Pocasset, MA 02559  
(508) 564-6356

David M. Delisle  
County Supervisor  
501 Great Rd., Unit 106  
North Smithfield, RI 02895  
(401) 765-8685

David R. DeFreest  
County Supervisor  
40 Nagog Park, 3rd Floor  
Acton, MA 01720  
(508) 263-3750

Mailing Address  
P.O. 1124  
Littleton, MA 01460

Thomas S. McGarr  
County Supervisor  
21 Spring St.  
Colonial Trust Bldg  
Taunton, MA 02780  
(508) 880-7561

Frank L. Bouchard  
County Supervisor  
Bradford Bldg.  
7 Town Square  
Plymouth, MA 02360  
(508) 747-4742

Ronald M. Koontz  
County Supervisor  
310 Barnstable Rd.  
Hyannis, MA 026021  
(508) 778-2229

Cecelia Harris  
County Supervisor  
South Kingstown Office Park  
24 Salt Pond Rd., Suite C8A  
Wakefield, RI 02879  
(401) 783-3477

Charles W. Duboc  
County Supervisor  
48 Quaker Lane  
West Warwick, RI 02893  
(401) 826-0842

## CONNECTICUT - COUNTY OFFICES

### DISTRICT III

William W. Rainville  
County Supervisor  
P.O. Box 376, Rt. 205  
Brooklyn, CT 06234  
(203) 774-5344

Christopher Higgins  
County Supervisor  
Agricultural Center  
P. O. Box 127  
Litchfield, CT 06423  
(203) 5673-9434

John L. Slate  
County Supervisor  
Offices of Smith Corona, Rte. 32  
P. O. Box 7  
North Franklin, CT 06254  
(203) 642-4131

Johan M. Strandson  
County Supervisor  
147 Providence St.  
Putnam, CT 06260  
(203) 928-6559

Ronald Clark  
County Supervisor  
One Church Sq. St.  
P.O. Box 66  
Willimantic, CT 06226  
(203) 456-1725

Gary B. Carabeau  
County Supervisor  
627 River St.  
Windsor, CT 06095  
(203) 688-7043

### DISTRICT OFFICES

Brian Anderson - District I  
District Director  
Route 116, 267 Amherst Rd.  
P. O. Box 455  
Sunderland, MA 01375  
(413) 665-2603

Richard A. Lavoie - District II  
District Director  
U.S. Post Office Building  
Room 173  
27 Social St.  
Woonsocket, RI 02895-3132  
(401) 765-5500

Kenneth L. Main - District III  
District Director  
P.O. Box 666  
122 Valley St.  
Willimantic, CT 06226  
(203) 456-2269



## **COMMUNITY BASED ECONOMIC DEVELOPMENT RESOURCES**

This section contains a brief description of the various programs that are available to assist local governments, neighborhood organizations and other community-based organizations, in planning for the development and implementation of projects. The type of assistance these programs provide is often critical in ensuring a project's success.

Although the eligible applicants and specific purpose of each of these programs may differ, they are all designed to increase the expertise and the capacity of the applicant to design a project plan which can be effectively implemented.

## COASTAL FACILITIES IMPROVEMENT PROGRAM

### STATE-CFIP

In late 1983, the Massachusetts State Legislature authorized an \$18 million bond issue for the Coastal Facilities Improvement Program (CFIP) as part of the Coastal Protection Bill (Ch. 589 of the Acts of 1983). The Massachusetts Coastal Zone Management (MCZM) within the Executive Office of Environmental Affairs will administer and implement the CFIP. This brochure has been prepared to assist coastal communities by providing an overview of the basic goals, objectives and criteria for eligibility under the CFIP.

The CFIP is intended to provide financial assistance on a "reimbursable" basis to coastal cities and towns so that they can plan for, construct, reconstruct, maintain and improve their public coastal facilities and to prepare harbor management plans. The Program will reimburse communities up to 50% of the total cost of a project on a dollar for dollar basis. Maximum awards are two million dollars for improvements in designated port areas and one million five hundred thousand for projects in other areas. Communities with approved projects can make their dollar for dollar match in the form of in-kind services or with revenues from municipal bonds, bequests, gifts, contributions by the federal, state or municipal governments, or by individual corporations or associations. Project costs claimed as match shall be incurred after December 17, 1983, the date of enactment of Chapter 589 of the Acts of 1983. It is important to understand that once a project gets underway, reimbursement may not occur until the local municipality (grantee) has demonstrated that at least 50% of the approved project has been completed. The terms of reimbursement will be clearly stated in the final award contract between MCZM Office and the grantee.

The basic criteria for eligibility for this reimbursement improvement program include:

- the community must be a "coastal community" as defined in the MCZM Program Plan.
- the project site must be public (land or property must be owned and maintained by a municipality or by the Commonwealth) and it must be one of the following:
  - determined to be "substandard " by the Secretary of Environmental Affairs,
  - located within a Commercial Area Revitalization District "(CARD)",
  - located within a Special Assistance Development Area "(SADA)" as listed in the MCZM Program Plan.
- located within a "Designed Port Area" as listed in the MCZM Plan.

#### TYPES OF COASTAL IMPROVEMENTS

Many types of improvement projects will be allowed under the Coastal Facilities Improvement Program. They include but are not limited to the construction or repair of the following: bulkheads, ripraps, piers, wharfs, docks, floats, beaches or other structures used for fishing, marine industry or commerce, marine recreation, tourism or public access purposes. Other allowable facilities include public upland platforms, public buildings containing harbor related facilities for fish handling or storage, parking facilities and walkways necessary for access to a waterfront facility. The preparation of Harbor Management Plans was made an allowed project in a 1988 amendment to the Act.

#### FILING OF APPLICATIONS

The regulations necessary to implement the CFIP were promulgated August 16, 1984 and applications for assistance became available on September 5, 1984.

#### WHO APPLIES:



Interested communities should contact the MCZM Office to discuss proposed projects prior to submitting applications.

**CONTACT:**

Joseph E. Pelczarski, CFIP Coordinator  
Massachusetts Coast Zone Management Office  
100 Cambridge Street Room 2006  
Boston, MA 02202  
(617) 727-9530, Ext. 456

COASTAL ZONE MANAGEMENT  
COMMUNITY ASSISTANCE GRANTS

STATE-EOEA

The Massachusetts Coastal Zone Management (MCZM) Office provides technical and financial assistance to coastal communities. Technical assistance is available to address short-term coastal problems, such as drafting waterfront bylaws and planning for public access. Financial assistance is available for the construction, reconstruction, maintenance and repair of coastal facilities through the Coastal Facilities Improvement Program (CFIP).

WHO APPLIES:

MCZM will provide, upon request technical assistance to individuals, coastal communities and other state agencies.

CONTACT:

Steve Bliven  
Massachusetts Coastal Zone Management Office  
Room 2006  
100 Cambridge Street  
Boston, MA 02202  
(617) 727-9530, ext. 420

CFIP assistance is available to all 78 coastal communities based upon application, project eligibility and funding availability.

CONTACT:

Joseph Pelczarski, CFIP Coordinator  
Massachusetts Coastal Zone Management Office  
Room 2006  
100 Cambridge Street

Boston, MA 02202

(617) 727-9530

For general information regarding MCZM

**CONTACT:**

Laurel Rafferty, Harbor Planning Coordinator  
Massachusetts Coastal Zone Management Office  
Room 2006  
100 Cambridge Street  
Boston, MA 02202  
(617) 727-9530



## BOATYARD PRESERVATION RESTRICTION PROGRAM

### Program Description

Section 7 from Chapter 564 of the Acts of 1987 authorized the Secretary of the Executive Office of Environmental Affairs to spend two million dollars for the Boatyard Preservation Restriction Program. A boatyard is defined as land actively devoted to construction, repair, maintenance or storage of commercial or recreational vessels.

Title to Boatyard Preservation Restrictions purchased by the Director of the Office of Coastal Zone Management shall be held in the name of the Commonwealth but may be administered by the city or town subject to the approval of the Secretary.

Projects for this program shall be submitted by cities and towns and evaluated by the Boatyard Preservation Committee. In its evaluation the Committee shall consider at a minimum the following:

1. The suitability of the land as to the amount of waterfront property and other criteria for boatyard use.
2. The fair market value of such land and the fair market value of such land when it is used for boatyard purposes as determined by independent appraisals.
3. The degree to which the acquisition would serve to preserve the marine construction, repair, maintenance and storage potential of the Commonwealth. The Director of Coastal Zone Management may be deemed necessary to carry out the purposes of this section.

FILING OF APPLICATIONS:

Call Massachusetts Coastal Zone Management Office.

WHO APPLIES:

Cities and towns in conjunction with the boatyard owner.

CONTACT:

Joseph E. Pelczarski  
Massachusetts Coastal Zone Management Office  
Room 2006  
100 Cambridge Street  
Boston, MA 02202  
(617) 727-9530, Ext. 456

## COMMERCIAL AREA REVITALIZATION DISTRICT

(CARD)

### LOCAL-STATE-EOCD

Commercial enterprises in approved revitalization districts are eligible for important financial incentives – Taxable development bond financing, mortgage insurance, state tax credits (certain eligibility requirements) and other incentives that also may be made available. To be eligible for these programs, the commercial activity must be located in an approved Commercial Area Revitalization District (CARD), typically an older downtown area. CARD plans are developed and approved by the governing body of the community and submitted to the Executive Office of Communities and Development (EOCD) for review and approval. To qualify, the area must be an older, established commercial area experiencing disinvestment. EOCD has published guidelines on how to prepare a CARD plan, and has a staff member available to assist cities and towns in the process.

Once the CARD plan has been approved, commercial enterprises in the approved area may apply for taxable bond financing from the Massachusetts Industrial Finance Agency (MIFA) and may also consider applying to other state agencies that may administer programs which offer incentives for projects located in a CARD area.

### WHO APPLIES:

All communities in Massachusetts are now eligible to apply for a CARD plan designation for qualified areas of their city or town.



**CONTACT:**

John Young, CARD Program  
Division of Municipal Development  
Executive Office of Communities and Development  
Room 1803, 100 Cambridge St.  
Boston, MA 02202  
(617) 727-7180

## COMMUNITY DEVELOPMENT ACTION GRANT (CDAG)

### LOCAL-STATE-EOCD

Under the Commonwealth's Community Development Action Grant (CDAG) Program, grants are made to cities and towns for public actions in support of private investments. This competitive program is designed to stimulate economic development activities that will attract and leverage private investment, create or retain long-term employment and/or housing opportunities, and revitalize distressed areas throughout the state. In so doing, the program supports only those private investments that would not occur, but for the receipt of CDAG funds.

To date, over \$82.5 million in CDAG funds have been committed to over 70 Massachusetts communities, ranging in size from a population of 1,000 to the state's capital, Boston. CDAG funded activities have included the construction of roadway and sidewalks; water and sewer lines, water towers, public parks and parking lots, the installation of street lights and traffic signals and the development of affordable housing units.

### WHO APPLIES:

All communities in Massachusetts are eligible to apply.

### CONTACT:

CDAG Program Director  
Bureau of Local and Economic Development  
Executive office of Communities and Development  
100 Cambridge Street, Room 1803  
Boston, MA 02202  
(617) 727-7180

## COMMUNITY DEVELOPMENT BLOCK GRANT ENTITLEMENT

### FEDERAL-HUD

Established in 1975, this program distributes funds to all cities of 50,000 or more population and all SMSA central cities regardless of population with specific amounts based on a formula set by Congress. Activities eligible for funding are broadly defined, including construction of public facilities such as parks, streets, fire stations, and community centers, housing rehabilitation programs, social services and economic development programs. The activities must be related to a community development strategy and needs statement, and must principally benefit low and moderate income residents.

The cities and towns listed below are currently receiving funds:

#### MASSACHUSETTS

Arlington	Fitchburg	Lynn	Salem
Attleboro	Framingham	Malden	Somerville
Boston	Gloucester	Medford	Springfield
Brockton	Haverhill	New Bedford	Waltham
Brookline	Holyoke	Newton	Westfield
Cambridge	Lawrence	Northampton	Weymouth
Chicopee	Leominster	Pittsfield	Worcester
Fall River	Lowell	Quincy	

#### WHO APPLIES?

Cities receive funds annually after submission of Community Development Strategy and Needs Statement.



CONTACT:

Your Local Community Development Department, or

Robert L. Paquin, Deputy Director  
Office of Community Planning and Development Division  
U.S. Department of HUD  
10 Causeway Street, 3rd Floor  
Boston, MA 02222 (617) 565-5345

## MASSACHUSETTS SMALL CITIES PROGRAM

The Massachusetts Small Cities Program (MSPC) is a federally funded program established in 1978 by Congress to make available to the Commonwealth's cities and towns the Community Development Block Grant Program (CDBG). Funds are available to municipalities who have a population under 50,000 or who have not been designated as an "entitlement" community by the U. S. Department of Housing and Urban Development. The Massachusetts Executive Office of Communities and Development administers this program for HUD.

The MSCP funds local projects which enable municipalities to undertake a variety of community development activities. Examples of MSCP-funded projects include housing rehabilitation and related activities; commercial improvement's such as facade and interior renovations' business development assistance; public facility projects including infrastructure improvements, park renovations, and neighborhood facilities; and, a variety of social and public services. The principal benefit of these activities are for the low and moderate income citizens of the Commonwealth.

A majority of MSCP funds are available once a year through what is known as the Community Development Fund. Funds are competitively awarded to municipalities to fund activities described above. Other MSCP resources are available throughout the year when a project is "ready" for review. This would include project specific applications for either the Housing Development Support Program or the Economic Development Set-Aside Program.

CONTACT:

Toni Coyne Hall  
Deputy Assistant Secretary for Community Development  
Executive Office of Communities and Development  
100 Cambridge Street, Room 1802  
Boston, MA 02202  
(617) 727-0494



## COMMUNITY ECONOMIC DEVELOPMENT ASSISTANCE CORPORATION

### STATE-CEDAC

The Community Economic Development Assistance Corporation (CEDAC) is a quasi-independent agency that offers technical assistance to community development corporations (CDC's) and other non-profit community-based organizations in economically depressed areas of the state. It offers professional services and front money loans to these eligible organizations to package real estate projects that will benefit area residents.

CEDAC's nine member Board of Directors must approve each project. Selection is based on: (1) the degree to which the proposed project will benefit the area; (2) degree to which a project will be locally controlled and/or owned; (3) the project's scale and impact; (4) the overall viability of the project; and (5) the project's strategic importance to redevelopment of the target area. CEDAC's assistance is provided by its staff of our professionals or by consultants.

### WHO APPLIES:

Community development corporations (CDC's) and other community based non-profit organizations in economically distressed areas of the state.

### CONTACT:

Carl Sussman, Executive Director  
Community Economic Development Assistance Corporation  
Suite 200  
19 Temple Place  
Boston, MA 02111  
(617) 727-0506

## COMMUNITY FACILITY LOANS

### Farmers Home Administration FEDERAL-FmHA

FmHA is authorized to make loans to develop essential community facilities for public use in rural areas and towns of not more than 20,000 people. These loans can be made to public entities and non-profit corporations who show adequate repayment ability. Funds may be used but are not limited to the following items: to construct, enlarge or improve fire stations, libraries, hospitals, clinics, community buildings, industrial parks and other community facilities that provide essential service to rural residents and to pay necessary costs connected with such a facility. The loans carry a term of 40 years or the life expectancy of the item being purchased, improved or built, whichever is the lesser. The interest rates change quarterly and are set on January 1, April 1, July 1 and October 1 of each year. For the current interest rate, contact one of the offices listed below.

The agency is authorized to provide financial assistance for water and waste disposal facilities in urbanized areas in towns of up to 10,000 people. Eligible entities are municipalities, special purpose districts and non-profit corporations. The funds may be used to construct, repair, improve, expand and/or otherwise modify water supply and distribution facilities, including reservoirs, pipelines, wells, pumping stations and water supply. Additionally, funding may also be used to construct, repair, improve, expand or otherwise modify waste collection, pumping treatment or other disposal facilities, including stabilization ponds, storm sewer facilities, sanitary landfills, incinerators and solid waste transfer stations. The term and interest rates are the same as for community facility loans.

The following Massachusetts towns or urbanized areas are eligible for interest rates below the market rate. Towns not listed would be at market rate. Towns and places marked with asterisks (\*) are eligible to be considered for water and waste grants.

State  
County  
MCD/CDC

Place	Population	Median Hshld. Income
<u>Nonmetropolitan</u>		
Massachusetts		
Barnstable County		
Barnstable Town	30,898	16,312
Bourne Town	13,874	15,742
Brewster Town	5,226	15,678
Chatham Town	6,071	15,441
Dennis Town	12,360	13,944 *
Eastham Town	3,473	15,392
Falmouth Town	23,640	16,572
Harwich Town	8,971	14,731
Mashpee Town	3,700	16,179
Orleans Town	5,306	16,513
Provincetown Town	3,535	10,108 *
Truro Town	1,486	13,723 *
Wellfleet Town	2,209	12,816 *
Yarmouth Town	18,449	14,560
<u>Berkshire County</u>		
Adams Town	10,381	13,807 *
Clarksburg Town	1,871	16,471
Egremont Town	1,312	16,437
Florida Town	729	13,380 *
Gr. Barrington Town	7,405	15,187
Hancock Town	639	15,139
Hinsdale Town	1,707	15,906
Lanesborough Town	3,131	16,753
Monterey Town	822	14,412
Mt. Washington Town	103	13,333 *
New Marlboro Town	1,160	15,346
North Adams City	18,063	12,442 *
Otis Town	963	14,331



Sandisfield Town	720	12,750 *
Savoy Town	645	16,103
Sheffield Town	2,743	15,846
W. Stockbridge Town	1,280	15,987
<u>Bristol County</u>		
Fairhaven Town	15,759	15,189

## CONTACTS:

### For Eastern Massachusetts

Richard Lavoie  
 District Director  
 Farmers Home Administration  
 USDA  
 U. S. Post Office Building  
 127 Social Street  
 Room 173  
 Woonsocket, RI 02895-3132  
 (401) 765-5500

### For Western Massachusetts

Brian Anderson  
 District Director  
 Farmers Home Administration  
 USDA  
 P. O. Box 455, Route 116  
 Sunderland, MA 01375  
 (413) 665-2603

or

Craig Dore, Chief  
 Community & Business Programs  
 Farmers Home Administration  
 USDA  
 451 West Street  
 Amherst, MA 01002  
 (413) 253-3471

\* 80% level or below – eligible for 75% grant on water or sewer project. All other on the list are eligible for 55% grant.

## ECONOMIC DEVELOPMENT SET-ASIDE PROGRAM

### STATE-EDSA

The Economic Development Set-Aside (EDSA) Program, administered by the Massachusetts Executive Office of Communities and Development (EOCD), provides flexibly-structured debt financing primarily for manufacturing businesses which provide significant public benefits for Massachusetts' smaller communities.

#### WHO MAY APPLY:

Eligible municipalities ("non-entitlement" communities eligible for federal Community Development Block Grants, generally under 50,000 population) apply to EOCD for EDSA grants on behalf of the local business or nonprofit organization. If approved, EOCD awards a grant to the community which then lends the funds to the business or non-profit.

#### TERMS AND CONDITIONS:

The maximum EDSA loan is \$500,000 per recipient annually; the minimum feasible loan is \$100,000. EDSA can fund up to one-third of the total project cost. The other two-thirds must come from equity investments, commercial bank loans, other public funds, or other sources. EDSA will also provide a grant to the community (for up to 7% of the loan amount.) to cover its costs of administering the loan.

EDSA loan terms are flexible and are negotiated based on the needs of each borrower. If the borrower can afford it, market rates and terms will be charged. However, if cashflow is tight, below-market interest rates and terms can be offered. EDSA can subordinate to other lenders, if necessary.



### ELIGIBLE USES:

The EDSA program provides financing for purchase of capital equipment, acquisition of real estate, new construction or rehabilitation, working capital, and in some cases, refinancing.

### CRITERIA UPON WHICH DECISIONS ARE BASED:

Three major criteria are used for determining the eligibility of a project for EDSA financing:

- 1) The public benefits the project will provide, including: and
  - jobs for low and moderate-income persons. At least 51% of the jobs created or retained by the borrower benefit persons from low and moderate-income persons. These projects are given the highest priority.
  - o elimination of slums or blight. Commercial or mixed-use projects which help revitalize blighted downtown areas.
  - o critical community need. Projects which meet a critical community need such as assistance to businesses displaced by fire.
- 2) Clear need for EDSA "gap financing" which is justified when the maximum available from non-EDSA funds is less than the total financial need, or when the rate of return on investment at market rates or terms would make a project economically infeasible.

Business/financial feasibility of the project, which is demonstrated by evaluation of the firm's business plan, financial statements, and management.

EDSA applications are also evaluated on other criteria, including community need, quality of jobs, and EDSA dollars invested per job created or retained.

**CONTACT:**

David Weiss  
Economic Development Set-Aside Program  
Massachusetts Executive Office of Communities & Development (EOCD)  
100 Cambridge Street, Room 1803  
Boston, MA 02202  
(617) 727-7180

## HISTORIC PRESERVATION INCENTIVES

### STATE-FEDERAL/MHC

There are two matching grant programs aimed at preservation and restoration of historic resources; both are administered by the Massachusetts Historical Commission (MHC).

#### Massachusetts Preservation Projects Fund

##### PURPOSE:

The Massachusetts Preservation Projects Fund is a state-funded matching grant program established in 1984 to support preservation and maintenance of properties and sites listed in the State Register of Historic Places. Grants range from \$5,000 to \$100,000.

Types of Project Research: Include Historic Structures Report and archaeological investigations.

Development: Construction activities including stabilization, protection, rehabilitation and restoration.

Acquisition specially allocated for endangered properties.

Filing of Applications: Preapplication materials are available in October. (The MPPF is currently not funded)

##### WHO APPLIES:

Municipalities and private non-profit organizations.



## SURVEY AND PLANNING SUBGRANTS

The Massachusetts Historical Commission a federally funded matching grant program for non-construction preservation activities.

Eligible activities are: Intensive inventory, registration and comprehensive preservation planning for historic and prehistoric resources. Grants also support staff in Regional Planning Agencies, publications and conference planning.

### WHO APPLIES:

Local historical commissions, historic district commissions (and land study committees), units of state or local governments, educational institutions, private non-profit organizations and "certified" local governments.

### CONTACT:

Elsa N. Fitzgerald, Assistant Director  
Massachusetts Historical Commission  
80 Boylston Street  
Boston, MA 02116-4802  
(617) 727-8470

## LEEWAY LAW

### MASSACHUSETTS DIVISION OF BANKS

The so-called "Leeway-Law" Paragraph 8 of section 2 of General Laws Chapter 172, enables state chartered trust companies, savings banks and cooperative banks to directly invest in development projects (or business ventures) they would not otherwise be authorized to invest in. Banks seeking ways to display their commitment to the communities they serve can take the initiative in community revitalization efforts by participating directly in development plans. The Leeway Law provides a great deal of freedom to banks to play a number of roles in the development process. Banks can provide the equity as well as the financing needed to get a project moving.

Working usually through a solely owned subsidiary, a bank can purchase, develop, and manage property. The size of a bank's leeway investments are limited to a maximum of 5% of total deposits, anything over 3% must be invested in urban renewal type projects, and only 2% of total deposits on any single investment.

#### WHO APPLIES:

All state chartered banks

#### CONTACT:

Michael C. Hanson  
Commissioner of Banks  
20th Floor, Room 2004  
100 Cambridge Street  
Boston, MA 02202  
(617) 727-3120

## MASSACHUSETTS MAIN STREET CENTER

### STATE-EOCD

#### THE MAIN STREET APPROACH TO DOWNTOWN REVITALIZATION

The Massachusetts Main Street Program is designed to help communities strengthen their local economy by improving the economic health of downtown. The Main Street Program has been successful in Massachusetts and around the country because it is concerned not only with the way a downtown looks, but more importantly with a way that a downtown functions in today's competitive economy.

Traditionally, communities have relied on beautification programs to bring vitality and business back downtown to "Main Street." The Main Street Program combines an emphasis on physical improvements with a pragmatic orientation that stresses sound management, community involvement, competitive community activity and identity.

A goal of the Main Street Program is to encourage economic development within the context of historic preservation. Preservation is defined as the management of change, ensuring that new development complements the community's architecture and history. The Main Street Program also emphasizes community self reliance and encourages Main Street's traditional assets of personal service, local ownership, unique architecture and sense of community.



The Main Street Program is based on a comprehensive, four point approach to downtown revitalization. These four points are: ORGANIZATION, PROMOTION, DESIGN and ECONOMIC RESTRUCTURING. Experience has proven that a Main Street Program which lacks any of these fundamental ingredients will probably not survive. It is therefore necessary that all four points of "The Main Street Approach" be given adequate attention in a downtown revitalization program; though they will have a tendency to overlap at times and may be given different emphasis at various stages of the program.

The key element in the ORGANIZATION component of the Main Street Approach is the early formation of a local Main Street organization. This organization should include a partnership of public and private individuals and entities who are concerned with or have a stake in the future of the downtown. In short, membership to the downtown organization should be open to the entire community and should be as broad based as possible.

The downtown organization should include a Board of Directors consisting of members who are key decision makers in the community such as municipal officials, bankers, merchants, industrialists, preservationists, Chambers of Commerce officials, downtown residents, design professionals, developers, realtors, other professionals with practices located downtown or representatives of and other groups or agencies in the community which are concerned with downtown. The Board of Directors should form a small Executive Committee to act as the decision making body of the organization and establish a clearly defined structure of standing committees which will conduct the normal activities of the organization such as membership and fundraising, promotions, design review and economic restructuring. Special committees may also

be formed to perform specific, one time tasks or events. It should be a mission of the downtown organization functioning as an advocate for the downtown.

The Downtown Manager serves as staff support to the Downtown organization in executing its plans and activities. The manager functions as the principal advocate of downtown and coordinator insuring that all appropriate individuals and groups are involved from the out set of the program and working together to develop a positive image for downtown. The downtown Manager assists in developing a strong Main street organization or Downtown Business Association

The PROMOTION of downtown as a unified shopping district, much in the way a shopping mall would be promoted, helps to attract customers and strengthens Main Street's role as a viable business center. The Downtown manager works with the Main Street organization or business association to develop a creative marketing plan, coordinating advertising, promotions and special events. These strategies help downtown to improve both its self image and the image that it projects to potential customers.

Good or appropriate DESIGN is essential to all aspects of downtown revitalization. The buildings on Main Street reflect the community's history, and often represent quality design from a variety of historical periods. The Main Street philosophy encourages utilization and enhancement of those elements of quality design which remain in each building. These buildings should be maintained and can be successfully adapted for today's commercial needs. In addition, the community's promotional literature, window displays, signs and public improvements should all promote a quality image.



ECONOMIC RESTRUCTURING enables Main Street to regain its role as the center of community and economic activity. Successful downtown areas will usually offer a mix of housing, goods and services, recreation and entertainment. The key to a successful Economic Restructuring program is to encourage the "proper mix" of goods, services, and activities downtown which will allow the community to thrive. Retail business recruitment, development of imaginative marketing and merchandising techniques and reuse of vacant upper stories for housing and office space are some aspects of an Economic Restructuring program.

#### PROGRAM ELEMENTS:

Communities participating in the Main Street Program can expect to develop a permanent, comprehensive downtown management program which is self-supporting through joint private and public sector participation. The program offers financial and technical assistance to help communities in applying the "Main Street Methodology" to their downtowns. There will be three separate components to each Main Street grant: funds towards the salary of a downtown manager; seed money to partially finance local projects; and technical assistance from EOCD to implement the project in a comprehensive manner.

#### CONTACT:

Lynn Bowness, Director  
Massachusetts Main Street Center  
Executive Office of Communities and Development  
Room 904  
100 Cambridge Street  
Boston, MA 02202  
(617) 727-3197



## EXECUTIVE OFFICE OF COMMUNITIES AND DEVELOPMENT

### Bureau of Neighborhood Services & Economic Opportunity

#### A Neighborhood Focus

A primary goal of the Bureau of Neighborhood Services and Economic Opportunity (BNSEO) is to strengthen non-profit community development organizations so that they can improve physical, economic and social conditions for residents in their neighborhoods. As a part of a state agency, we work with Community Action Committees (CAAS), Community Development Corporations (CDC's), Neighborhood Housing Service Corporations (NHS's), Regional Non-Profit Housing Authorities and other community-based groups—in both urban and rural neighborhoods to increase and provide jobs for low and moderate income residents.

Much has been accomplished to demonstrate that community controlled development is possible and extremely valuable. In the last decade, community development organizations across the state have rehabilitated thousands of housing units, increased the commercial activities of small businesses, and created new jobs in their communities. Despite these gains, our mission of assisting locally initiated community development efforts is more critical now than ever before. Sharp cutbacks in Federal funding and the persistence of high unemployment, inadequate public services, the lack of affordable and decent housing, and the loss of small business and industry in lower income communities are indeed serious problems that require long-term strategic commitments and continued emphasis on meeting the most pressing concerns at the neighborhood level.

Located within the Division of Social and Economic Opportunity, The Bureau of Neighborhood Services and Economic Opportunity provides three (3) types of assistance to eligible community-based organizations:

Grants and Administrative Support: BNSEO is the only Massachusetts state agency which provides funding for staff related administrative costs of CDC's and other non-profit development organizations. The agency awards grants annually through a competitive process based on an assessment of community needs, a group's track record, project feasibility, the extent of community participation and support, and its ability to raise other public and private funds.

Technical Assistance: Program Representatives provide management and technical assistance to community based-organizations in the areas of program planning, organizational development, fundraising and marketing, governing board involvement with staff and membership, and community outreach.

Information Clearinghouse: The Bureau also acts as a clearinghouse by providing information to funded groups about State and Federal programs and by putting them in touch with key agency contacts. In addition, we distribute: a quarterly newsletter which features articles on innovative non-profit projects, legislative and program updates, and a regular column written by community organization directors; a manual describing how to organize a CDC; and an extensive mailing list of Massachusetts CAAs, CDC's, NHS's and regional non-profit housing agencies.

Massachusetts is nationally acclaimed as a model for state support for community based organizations. The Bureau's six (6) major programs play a critical role in this support system:



### Community Enterprise Economic Development Program (CEED):

The CEED program provides grants to CDC's to pay the salaries of staff who work on neighborhood revitalization projects. These projects vary according to local need, and range from converting abandoned buildings into affordable rental housing to administering small business revolving loan funds. There are currently thirty two (32) CEED agencies serving residents of the Commonwealth.

### Neighborhood Housing Services (NHS):

The NHS program is a unique partnership among neighborhood residents, local government officials, and private lenders who work together to rehabilitate housing and promote neighborhood revitalization. Current NHS programs in Boston, Cambridge, Chelsea, Lawrence, Quincy and Springfield operate loan funds for property owners, provide financial counseling, and offer construction planning and monitoring services to residents.

### Housing Services Program (HSP):

The Housing Services Program funds community-based organizations which in turn provide support services such as counselling, technical assistance, education and mediation to both landlords and tenants of multi-family, lower income housing. The primary goal of this program is to preserve the availability and affordability of private housing for low income residents.

### Community Action Agencies (CAAs)

CAAS are locally controlled, non-profit organizations which operate a broad range of services by state and federal funding and public-private partnerships to help individuals and families move out of poverty. They are currently twenty-five (25) CAAs providing services in the following areas: homelessness, housing, child development, drug/substance abuse, energy, health, education



and employment training, hunger prevention, transportation, legal assistance, immigration assistance, and economic self-sufficiency development.

Emergency Community Services Homeless Grant Program (EHP)

The EHP offers homeless people and people-at-risk of losing their housing an opportunity for self-sufficiency and independence. There are twenty-five (25) EHP agencies providing services to residents of the state in the areas of rent payment assistance to individuals who have received a notice of foreclosure, eviction; or termination of utility services; social and income support maintenance; and long-term case management services to enable homeless individuals to make the transition out of poverty.

CONTACT:

Kenneth Spicer, Director  
Bureau of Neighborhood Services & Economic Opportunity  
Division of Social & Economic Opportunity  
Executive Office of Communities and Development  
100 Cambridge St., Room 1803  
Boston, MA 02202  
(617) 727-0050

## OPEN SPACE PROGRAM

State – MHD

Location: The Massachusetts Highway Department, Bureau of Highway Planning, 10 Park Plaza, Boston.

Description: The purpose of the Program is to acquire land or rights in land adjacent to public ways for the purpose of restoring, preserving, or enhancing areas of scenic beauty or special environmental value. The MHD achieves this goal through both fee simple acquisitions and the purchase of scenic conservation easements. Cooperative management agreements are made with other state agencies, local conservation commissions and private groups.

Year Initiated: 1986

Linkage: The Program interacts with the Department of Environmental Management; The Department of Fisheries, Wildlife and Environmental Law Enforcement; the Department of Food and Agriculture; the Executive Office of Environmental Affairs; local conservation commissions; the Trustees of Reservations; the Trust for Public Land; Massachusetts Audubon Society; local land trusts; and private citizens.

Criteria: The MHD Open Space Program will consider acquisitions of land where a parcel, as viewed from a public way, clearly forms a part of a discernable natural landscape of outstanding quality. The parcels of land should contain a substantial proportion of the following criteria.

- Provide scenic vistas from the road of either cultural or natural features which are of local or statewide significance.

- Be adjacent to well-travelled public ways.
- Be adjacent to land previously purchased for conservation.
- Possess one or more of the following characteristics, so that there is a possibility of joint acquisition with other agencies: coastal and/or inland wetlands, aquifer recharge areas, agricultural land, land containing rare or endangered plants, animals or ecosystems; rare or unique geologic features; historic structures; landscapes or archaeological sites; and other special features.
- Protect scenic land under threat of development.
- Provide a maintenance and management plan by a conservation commission, local group or state agency.
- Provide access for all Commonwealth residents and visitors, consistent with highway safety.

**Observations:** The program is one of the only scenic highway programs in the country with an allocation of funds for land acquisitions. Most acquisitions require prior approval of the State House and Senate Ways and Means Committees.

**Application:** Application can be made by completing the Open Space Program Application Form and enclosing 10–20 color slides or photographs of the parcel(s) you would like to have considered.

#### **CONTACT:**

Elizabeth Shultis  
 Open Space Program  
 Massachusetts Highway Department  
 Bureau of Highway Planning  
 10 Park Plaza – Room 4150  
 Boston, MA 02116  
 (617) 973-8003



**SPECIAL PROJECTS PROGRAM**  
**OFFICE OF COMMUNITY ECONOMIC DEVELOPMENT**  
**STATE**

The Special Projects Program, funded through the Community Services Block Grant (CSBG), is used to initiate and expand innovative projects which can lead to or improve methods and techniques of providing decent, affordable housing and economic opportunities for low income people. Funded on a competitive basis, the program assists community organizations in the areas of housing development, economic development, and statewide organizing, training and technical assistance for targeted low income groups.

**WHO APPLIES:**

Non-profit community based organizations can apply for these funds in response to an annual request for proposals.

**CONTACT:**

Executive Office of Communities and Development  
Office of Community Economic Development  
100 Cambridge Street, Room 1103  
Boston, MA 02202  
(617) 727-7127

## URBAN REDEVELOPMENT CORPORATIONS – CHAPTER 121A

### LOCAL-STATE-EOCD

The Massachusetts General Law offers incentives to private developers to provide in a blighted open, decadent or substandard area, any of the following uses:

"residential, commercial, industrial, recreational or governmental as shall be in the public interest, and the operation and maintenance of such facilities after construction."

The incentive is tax predictability for a period of 15 to 40 years through the only legal method of tax agreement in the Commonwealth. Under the provisions of section 6A and 10 a developer may contract with the local boards of assessors to establish excises for EOCD approved projects in lieu of property taxes. The application process is a public one with participation on the local level by mayors, boards of selectmen, city councils and planning boards. With the exception of the City of Boston, final approval of the application for each community is with EOCD.

#### WHO APPLIES:

Eligible applicants include:

Charitable corporations organized under Chapter 180,

Individuals or associations of individuals,

Insurance companies or a group of insurance companies,

Savings banks or a consortium for savings banks.

**PROCESS:**

The procedures for the application and approval process are spelled out in a publication entitled Chapter 121A – Rules and Regulations.

**CONTACT:**

Mildred Rein  
Executive Office of Communities and Development  
Room 1803  
100 Cambridge Street  
Boston, MA 02202  
(617) 727-7180



## TRANSPORTATION

This section describes the program available to assist urban areas throughout the Commonwealth in upgrading and improving their transportation network. The program described in this section: the Transportation Planning and Development Process, Urban Systems, and Urban Mass Transit Administration, are primarily federal programs administered by the State's Executive Office of Transportation and Construction. In the last few years, as the concept of transportation began to be seen as an integral part of community revitalization efforts, these programs have played an increasingly key role in ensuring the success of many urban development projects.

## HIGHWAY PLANNING AND DEVELOPMENT

### STATE - MDPW

The Massachusetts Department of Public Works (M.D.P.W.) has the statutory responsibility for the development of statewide transportation plans and programs. The M.D.P.W. is also responsible for the disbursement of State Aid to communities for the purpose of highway construction and repair, and is the designated agency for the receipt and disbursement of Federal-Aid highway funds.

The MDPW's operations are distributed among eight (8) separate District offices. These District offices are the local level of contact between communities and the MDPW. Requests to the MDPW to study and solve highway or highway related transportation problems should originate at the District level.

Regional Planning Agencies (R.P.A.) are responsible for comprehensive regional planning and serve as the lead transportation planning agency in their respective regions. The

R.P.A. is also a resource to communities, supplying technical direction to aid communities in the resolution of their transportation problems.

#### WHO APPLIES:

Individuals, local organizations or agencies through their Regional Planning Agency or M.D.P.W. District Office.

#### CONTACT:

William T. Stephens  
Highway Planning Division  
10 Park Plaza, Room 4150  
Boston, MA 02116  
(617) 973-7310

1. MDPW District #1 Office 1.Berkshire County Regional  
270 Pittsfield Road Planning Commission  
Lenox, MA 01240 10 Fenn Street  
Tel. (413) 637-1750 Pittsfield, MA 01201  
Tel. (413) 442-1521
2. MDPW District #2 Office 2.Franklin County Department of  
811 North King Street Planning  
Northampton, MA 01060 Court House, 425 Main Street  
Tel. (413) 584-1611 Greenfield, MA 01301  
Tel. (413) 774-4015
3. MDPW District #3 Office 3.Pioneer Valley Planning  
403 Belmont Street Commission  
Worcester, MA 01613-0885 26 Central Street  
Tel. (508) 754-7204 West Springfield, MA 01089  
or Tel. (413) 781-6045  
Mailing Address  
P.O. Box 885
4. MDPW District #4 Office 4.Montachusett Regional  
519 Appleton Street Planning Commission  
Arlington, MA 02174 R1427 Water Street  
Tel.(617)648-6100 Fitchburg, MA 01420  
Tel.(508)345-7376
5. MDPW District #5 Office 5.Central Mass.Regional  
485 Maple Street Planning Commission  
Danvers, MA 01937 340 Main Street, Suite 747  
Tel. (508) 774-3190 Worcester, MA 01608  
Tel. (508) 756-7717
6. MDPW District #6 Office 6.N. Middlesex Coun. of Govt.  
1000 County Street 35 Market Street, 2nd Fl.  
Taunton, MA 02780 Lowell, MA 01852  
Tel. (508) 824-6633 Tel. (508) 454-8021



7. MDPW District #7 Office    7.Merrimack Valley Planning  
2 Commerce Park Blvd.    350 Main Street  
Middleborough, MA 02346    Haverhill, MA 01830  
Tel. (508) 947-9000    Tel. (508) 374-0519

8. MDPW District #8 Office    8.Metropolitan Area Planning  
400 "D" Street    60 Temple Place  
South Boston, MA 02210    Boston, MA 02111  
Tel. (617) 482-0811    Tel. (617) 451-2770

9. Old Colony Planning Council    10. Southeastern Regional  
70 School Street    Planning & Economic  
Brockton, MA 02401    Development District  
Tel. (508) 583-1833    88 Broadway  
Taunton, MA 02780  
Tel. (508) 824-1367

11. Cape Cod Commission  
First District Court House  
Barnstable, MA 02630  
Tel. (508) 362-3828

12.Martha's Vineyard Commission  
P.O. Box 1447  
Oak Bluffs, MA 02557  
Tel. (508) 693-3453

13.Nantucket Planning and Economic  
Development Commission  
4 N. Water St.  
Nantucket, MA 02554  
Tel. (508) 228-7233

## MASS TRANSIT FUNDING

### FEDERAL-STATE-FTA-EOTC

Two major types of funding are available from the Federal Transit Administration (FTA) to regional transit authorities for mass transit improvements. The following funding categories are presently available: (a) planning monies for the design and study of the mass transit system, with 80% funding from the federal government; (b) operating monies for the provision of transit service, with 50% coming from the federal government, 25% from the state, and 25% from the service communities; (c) capital improvement monies for the acquisition of transit equipment and facilities, with 80% to be provided by the federal government, 10% by the state, and 10% to be assessed to the service communities for the Section 9 program and 80% to be provided by the Federal Government and 20% by the state and localities for the Section 3 program.

In addition to the MBTA, there are 14 regional transit authorities in Massachusetts. There is also a Section 8 planning grant program available to EOTC and regional planning agencies at a 80%, 20% federal grantee ratio.

#### WHO APPLIES:

Regional transit authorities and regional planning agencies apply through the normal transportation planning and development process, working with the Executive Office of Transportation and Construction.

CONTACT:

Regional transit authority, regional planning agency or:

Richard H. Doyle  
Regional Administrator  
Federal Transit Administration  
55 Broadway, Room 930  
Kendall Square, Cambridge, MA 02142  
(617) 494-2055



## URBAN SYSTEMS

### ROADWAY IMPROVEMENTS

#### FEDERAL-STATE-DOT-DPW

Funding under the Urban Systems program can be used for transportation improvements to existing arterial roadway systems. Eligible activities include reconstruction, removal of on-street parking, realignment, sidewalk improvements, municipally owned street lighting, traffic safety devices, and tree planting along improved roadways. Monies can also be used to pay for the replacement of spaces lost through the removal of on-street parking in an Urban Systems project.

Seventy Five (75) percent of the cost of these projects is paid by the federal government and the remaining 25% by the state. Certain Urban Systems funds are earmarked to urbanized areas and cities with high density; the balance is distributed to other urban and urbanized areas statewide.

In order for a community to move its project along expeditiously, it should use local funds to produce designs which can be approved at the state level for construction financing.

#### WHO APPLIES:

Eligible municipalities with a Federal Census Urban Area.

#### CONTACT:

Sumner Hoffman, Director  
Urban Systems  
10 Park Plaza  
Room 6210  
Boston, MA 02116  
(617) 973-7251

## SEWER AND WATER

This section describes the major sources of federal and state funding available to assist urban areas in meeting their sewer and water needs. These programs are administered by the Executive Office of Environmental Affairs, and form a critical link in ensuring adequate physical capacity to accommodate growth. The 201 Program provides a community with funding for the planning, design and construction of sewers and waste water treatment facilities. A recently enacted state law is also described which will provide funding for the construction of lateral sewers and collection systems which can assist an urban area in creating or retaining employment opportunities.

Of equal importance to urban areas is the continued adequacy of the Commonwealth's drinking water supply. Many older urban areas face a variety of water supply problems including the need to rehabilitate old water distribution systems and to treat contaminated supplies.

Department of Environmental Protection

Bureau of Municipal Facilities

State Revolving Fund

The State Revolving Fund (SRF) is an outgrowth of the federal Water Quality Act of 1987, which amended the Clean Water Act of 1972. Due to these amendments, the Construction Grants Program was terminated and a short term program to seed revolving loan programs at the state level was initiated.

Faced with the diminution of federal funding, the Massachusetts State Legislature passed Chapter 275 of the Acts of 1989, or the Hayes' Act. This Act marked the Commonwealth's commitment to long term water pollution control and water supply treatment and conservation. The Water Pollution Abatement Trust (WPAT) was established through this action.

The phase-out of the federal Construction Grants Program and establishment of a State Revolving Fund Program (SRF) has ushered in a new era of water pollution control efforts. Under the current SRF program, states use WPAT monies to loan funds to communities for projects. The communities are committed to pay back the loan over time, making funds available to loan to other communities.

Since the SRF is a revolving source of funds, cities and towns are placed on a priority list. Placement on the list is established by completing a project information form.

The SRF program is a joint effort of the Trust and the Department of Environmental Protection, through the Bureau of Municipal Facilities. It can provide assistance to municipalities for six different types of projects: design and construction of wastewater



treatment plants; infiltration and inflow reduction projects; combined sewer overflow correction projects; collection systems; water supply filtration plants; and water supply conservation efforts. These projects and the programs within the Bureau of Municipal Facilities which make them possible, are explained in the following sections.

The legislature is currently considering amendments to the act establishing the SRF. The information that follows is based on the Bureau's best estimate of the anticipated results of those deliberations.

## Wastewater Programs

The Wastewater Programs section oversees the Tier I, Tier II, Infiltration Inflow and Collection Systems programs.

### Tier I

This is the successor to the federal/state grant program previously providing combined 90% grants for planning, design and construction of wastewater treatment facilities, outfall sewers, major interceptor sewers and major pumping stations. Revenue bonds are the major source of funding for this program. These bonds are supported by funds contributed by the federal government under Title VI of the Clean Water Act.

Under Chapter 275, funding systems have undergone modifications. Planning and design has changed from a ninety percent state grant to one half market interest loan. The allocation has been limited to 10% of the total funds for all programs during a given fiscal year. The applicant cap is at 25%. Construction phase monies available has also changed to a one half market interest loan, with the annual allocation limited to 60% of the total funds for all programs during a given year. The applicant cap is at 50%.

### Tier II

The Tier II program was originally established by Chapter 786 of the Acts of 1985. It originally was intended to provide 70% state only grants to municipalities which did not qualify for federal programs. Typical project categories which did not qualify for federal programs. Typical project categories include combined sewer overflow, modifications to wastewater treatment plants and to major interceptors and pumping stations. Implementation of these projects has resulted in major improvements to Commonwealth waters.

Several modifications to the program resulting from the Hayes' Act are as follows. A 70% state grant program was changed to a one half market interest loan basis. Annual allocation is now 7.5% of the total funds for all programs during a given fiscal year. An applicant cap of 25% is now in effect.

#### **Infiltration Inflow (I/I)**

The Infiltration/Inflow Program was established to provide financing for the rehabilitation of sewerage collection and transmission facilities to reduce extraneous flow. Typical projects include studies to quantify, locate and recommend measures to eliminate sources of infiltration and /or overflow. Design of sewerage systems and rehabilitation of such is also a goal.

This program can benefit a municipality by reducing the incidence of basement flooding and sewer backup; reducing overflows into the waters of the Commonwealth; providing additional capacity at treatment facilities and collection systems at a cost lower than replacement; and diminishing regulatory prohibition on the addition of new wastewater flows to the system. Funding is available via a one half market interest loan. The allocation is limited to 7.5% of the total for all programs during a given fiscal year and the applicant cap is placed at 25%.

#### **Collection Systems**

The Collection System Program provides financial assistance to municipalities for the construction of collector sewers. The purpose of the program is to alleviate problems in areas with failing subsurface disposal systems. Sewers discharging directly into water bodies without treatment is another area this program is designed to combat. This program has its



importance both in terms of eliminating source os pollution to the groundwater as well as watercourses.

Funding for these purposes can be realized by way of one half market interest loan. Annual allocation is 10% of the total funds for all programs during a given year. The applicant cap is now ar 10%.

### **Water Supply Program**

The Water Supply Program within the Bureau of Municipal Facilities is comprised of four different types of projects, all having the same goal which is to protect and enhance existing sources of drinkable water.

### **Water Meter Grant Program**

This program is made available to public water suppliers to assist must submit a proposal in response to a Request for Proposals issued by the Bureau of Municipal Facilities. The frequency of occurrence of the Request will vary as resources allow. The Bureau prioritizes each proposal based upon specific rating criteria. Applicants falling within the highest priority range are allowed to pursue a funding opportunity by submitting a formal grant application.

### **Rehabilitation Grant Program**

The purpose of the Water System Rehabilitation Grant Program is to eliminate public health and safety deficiencies in existing water distribution systems. Eligible projects related to water mains are: cleaning and lining; replacement and looping; installations of hydrants, valves and fittings. Covering of existing water storage reservoirs is also a viable type of project.

Financial assistance is limited to 50% of the actual cost of constructing the facilities. Expenditures for labor and materials to construct projects are eligible for assistance. Costs for engineering and other professional services are not reimbursable. The process to procure these funds is the same as described.

#### Water Audit and Leak Detection Program

This program is also available to public water suppliers. It is designed to enhance water conservation efforts. A water audit survey is a detailed evaluation and accounting of water production and consumption by source. This leads to a determination of an estimated amount of water unaccounted for by source, thereby allowing for corrective measures to be undertaken.

A leak detection survey locates sources and estimated amounts of leakage within the distribution system. This survey also determines the effectiveness of leak repairs which have been made. Funding for leak repairs, however, is not available.

Funding from the state is established at 50% reimbursement of eligible costs. The process to procure these funds is the same as related above.

Funding from the state is established at 50% reimbursement of eligible costs. The process to procure these funds is the same as related above.

#### Water Filtration Plant Program

The Water Treatment State Revolving Fund Program (Water Treatment SRF) was authorized in 1989 with an initial and current bonding ceiling established. The program provides financial assistance to municipal water suppliers to plan, plot, design and construct water filtration facilities. The intention of this program is to replace the Drinking Water

Filtration Facilities Grant Program which has reached its maximum bonding authorization. Financial assistance is to be provided in the form of low interest loans. In certain circumstances, grants are to be available. The amount of assistance is based upon a grant equivalency of between 50% for construction work and 75% for preconstruction phases, panning through design.

For more information contact:

Department of Environmental Protection  
Bureau of Municipal Facilities  
One Winter St.  
Boston, MA 02108  
(617) 292-5793



## HOUSING

This section contains a brief description of the variety of federal and state funding programs that are available to help ensure an adequate supply of housing within urban areas. For the most part, these programs are limited to providing opportunities for low and moderate income persons.

Programs described in this section are those which provide funds to local housing authorities for the acquisition/construction/rehabilitation of scattered site housing for low-income families, as well as housing for the elderly. In addition, the various state and federal programs which provide rent subsidies for low income persons are also discussed.

Other programs described in this section involve the use of tax-exempt bonds to finance both rental housing and home ownership opportunities for low and moderate income persons. Further described are three federal programs which can offer financing as well as technical assistance to those individuals interested in rehabilitating their homes.

The federal government's efforts to increase the availability of private financing for housing production through loan and mortgage insurance and the creation of a secondary mortgage market are described in this section as well.

ELDERLY AND HANDICAPPED HOUSING  
SECTION 202  
FEDERAL-HUD

This program provides housing and related facilities for the elderly or handicapped:

Capital grants are available to eligible private non-profit sponsors to finance rental or cooperative housing facilities for occupancy by elderly or handicapped persons. An operating subsidy is provided to allow tenant rent to be set at 30% of adjusted income. Separate competition is held for elderly housing and handicapped in the spring.

**WHO APPLIES:**

Private non-profit sponsors may qualify for loans. Households of one or more persons, the head of which is at least 62 years old or is qualified nonelderly handicapped between the ages of 18 and 62 are eligible to live in the structures.

**CONTACT:**

Jeanne McHallam, Director  
Housing & Development Division  
U.S. Department of HUD  
10 Causeway Street, 3rd Floor  
Boston, MA 02222-1092  
(617) 565-5154

## ELDERLY HOUSING

### CHAPTER 667

### STATE-EOCD

Chapter 667 provides funds to local housing authorities to develop housing for low income elderly who are 62 and older and disabled persons of any age. Grants are awarded for new construction or major rehabilitation. Residents live in conventional one-bedroom or two-bedroom apartments or in congregate units. Conventional developments consist of independent apartments sharing a community room, laundry and reception space.

In congregate housing, each resident has a bed-sitting room and shares areas such as a living room, dining area, and kitchen. In congregate housing, residents who need additional support services to live independently receive assistance in arranging for those services from a congregate housing coordinator funded by the Department of Elder Affairs.

As in all state-funded public housing, the rents that tenants pay does not exceed approximately one-third of their net income.

#### **WHO APPLIES:**

The Local Housing Authority applies directly to the Executive Office of Communities and Development.

#### **CONTACT:**

William S. Turville  
Bureau of Housing Development and Construction  
Executive Office of Communities and Development  
100 Cambridge Street, Room 1702  
Boston, MA 02202  
(617) 727-5884



## FAMILY HOUSING PROGRAM

### CHAPTER 705 STATE-EOCD

The Chapter 705 program provides scattered-site housing for low income families throughout the Commonwealth, through grants to local housing authorities. The program is designed to be flexible and can accommodate a wide range of activities. Local housing authorities use these funds to construct duplexes or small multi-unit structures, to purchase units in existing or newly constructed developments, or to rehabilitate existing structures.

Preference is given to proposals from local housing authorities which: (1) include town donated sites or contributions to acquire sites and (2) show willingness to develop balanced housing opportunities in the community, for families, elderly, and residents with special needs. Tenants under the 705 program pay approximately one-third of their net income toward rent. The rent is usually adjusted relative to their utility changes.

#### WHO APPLIES:

Local housing authorities apply directly to the Executive Office of Communities and Development.

#### CONTACT:

William S. Turville  
Bureau of Housing Development & Construction  
Executive Office of Communities and Development  
100 Cambridge Street, Room 1702  
Boston, MA 02202  
(617) 727-5884

## FARM LABOR HOUSING

### FEDERAL-FMHA

This program is part of the Farmers Home Administration's Rural Housing assistance program. The grants and loans made under this program are for the construction, rehabilitation, and related development of housing for farm laborers. The housing is kept simple and low-cost and can be built on an individual farm or in a location that provides housing for a group of laborers. Funding for the program is not allocated to the State office, but rather is administered directly from Washington, D.C. The Farmers Home Administration's Massachusetts office helps in the preparation and submission of applications. Anyone interested in building this type of housing should contact the State office for assistance.

#### WHO APPLIES:

Individual Farmers, family farm cooperatives or partnerships and associations of farmers can apply for loans. State agencies, public and private non-profit organizations and local government and associations of farm workers can apply for grants as well as loans.

#### CONTACT:

John Cooper, Chief of Rural Housing Division  
Farmers Home Administration  
451 West Street  
Amherst, MA 01002  
(413) 253-3471

# THE GNMA-MORTGAGE-BACKED SECURITIES PROGRAM

## Program Overview Federal - HUD

The Government National Mortgage Association (GNMA) through the Mortgage-Backed Securities Program guarantees privately issued securities backed by pools of mortgages. Holders of the securities (the investors) receive a "pass-through" of the principal and interest payments on the pool of mortgages, less amounts to cover servicing of costs and certain GNMA fees. The GNMA guaranty assures the registered holder of the security certificate of receiving the timely payment of scheduled monthly principal and interest and of certain prepayments and early recoveries of principal on the underlying mortgages. If borrowers fail to make timely payments on the mortgage, under the "modified pass-through" approach, the securities issuers must make timely payments to the registered holders, using their own resources.

The Mortgage-Backed Securities Program provides a means for channeling funds from the Nation's securities markets into the housing market. The U.S. Government full faith and credit guaranty of securities makes them widely accepted in those sectors of the capital markets that otherwise would not be likely to supply funds to the mortgage market. The funds raised through the securities issued are used to make residential and other mortgage loans. Through this process, the program serves to increase the overall supply of credit available for housing and helps to assure that this credit is available at reasonable interest rates. Statutory authority for the program is provided in Section 306(g) of the National Housing Act. It authorizes GNMA to guarantee the timely payment of payment of principal and interest on



securities that are based on and backed by a trust or pool composed of mortgages which are insured or guaranteed by the Federal Housing Administration (FHA), the Farmers Home Administration (FmHA), or the Veterans Administration (VA). GNMA guaranty of mortgage-backed securities is backed by the full faith and credit of the United States.

**CONTACT:**

GNMA Services Division  
Room 6210  
U.S. Department of HUD  
451 Seventh Street, S.W.  
Washington, D.C. 20410-9000

## HOUSING FOR PEOPLE WITH SPECIAL NEEDS

### Chapter 689/167

#### STATE-EOCD

The Chapter 689 and Chapter 167 programs are forerunners in the development of housing for people with special needs in the nation. These programs have three prototype development options. They are a shared house, a shared apartment, and an individual apartment. These options permit flexibility in the type of citizens served, with special needs, including both the mentally and the physically disabled.

In addition to increasing the overall supply of accessible housing for low-income with disabilities and/or with special needs citizens, the Chapter 689/167 programs are intended to promote equal housing opportunities in communities throughout the State, both in those cities and towns where special needs programs are not available and in those where there is a limited supply of inexpensive rental housing.

Because of the diversity of urban, rural and suburban housing authorities and the specific requirements of people with special needs, the development options will be flexible to suit the needs of the community as well as the programmatic needs of the sponsor.

#### WHO APPLIES:

The local Housing Authority applies directly to the Executive Office of Communities and Development.

**CONTACT:**

William S. Turville  
Bureau of Housing Development and Construction  
Executive Office of Communities and Development  
100 Cambridge Street, Room 1702  
Boston, MA 02202  
(617) 727-5884



## MORTGAGE INSURANCE

### SECTION 221 (d) (3) AND (d) (4)

#### FEDERAL-HUD

This program provides mortgage insurance to finance rental or cooperative multi-family housing for moderate-income households. The Department of Housing and Urban Development insures mortgages made by private lending institutions to help finance construction or substantial rehabilitation of multifamily (five or more units) rental or cooperative housing for moderate or displaced families, row, or walk-up, or elevator structures. Currently, the principal difference between the programs is that HUD may insure up to 100 percent of the total project cost under section 221(d)(3) for non-profit and cooperative mortgages but only up to 90 percent under section 221 (d)(4) irrespective of the type of mortgage.

#### WHO APPLIES:

Sections 221 (d)(3) and 221 (d)(4) mortgages may be obtained by public agencies, non-profit, limited-dividend or cooperative organizations, private builders or investors who sell completed projects to such organizations. Additionally, Section 221 (d)(4) mortgages may be obtained by profit motivated sponsors. Grant occupancy is not restricted by income limits.

CONTACT:      Jeanne M. McHallam, Director  
Development Division  
U.S. Department of HUD  
10 Causeway Street, 3rd Floor  
Boston, MA 02222-1092  
(617) 565-5153

## NEIGHBORHOOD REINVESTMENT

### LOCAL - FEDERAL

The Neighborhood Reinvestment Corporation, successor to the Urban Reinvestment Task Force, is a nonprofit public corporation with direct Congressional funding.

Neighborhood Reinvestment offers proven revitalization programs to cities and neighborhoods. The organization also looks for new, promising tools and strategies which can be made available to community improvement efforts throughout the country.

The Corporation's primary mission is to assist local communities in revitalizing declining neighborhoods for the benefit of current residents. That goal is achieved primarily through the development and support of Neighborhood Housing Services (NHS) programs.

Neighborhood Reinvestment acts as a catalyst, stimulating the creation and development of public-private-resident partnerships. Through these partnerships, neighborhoods in need of assistance are being revitalized and people's lives improved.

Each NHS is a locally-initiated and funded private, nonprofit, corporation. It is governed by a working partnership of residents, business leaders, and government representatives, each contributing the resources at his or her disposal. The goal is to create a stable neighborhood characterized by a healthy real estate market, sound housing and other physical conditions, a positive community image and a core of neighbors committed to, and capable of, managing the continuing health of their neighborhoods once NHS phases out.

NHS offers comprehensive housing rehabilitation services to residents of the neighborhood and has had significant results in restoring confidence and improving the neighborhood. These services include rehabilitation counseling, construction assistance, financial counseling and loan referrals, as well as one of the most essential elements in the NHS program, the revolving loan fund. This fund is used to make loans to residents who do not meet normal, conventional credit standards. The fund provides every resident with the opportunity to improve their home. NHS now serves over 200 neighborhood containing over 650,000 dwelling units in over 135 cities.

Over the past decade, Neighborhood Reinvestment has developed a range of complementary revitalization strategies, each targeted to fill a need still unmet in many neighborhoods extending beyond basic NHS service delivery. As resources permit, Neighborhood reinvestment makes these complementary strategies available to individual NHS along with grant assistance and the training and technical assistance needed to maximize their effectiveness. These strategies include:

- The Apartment Improvement Program – revitalizing and preserving neighborhoods with multi-family housing.
- Owner-Built Housing – effectively address the shortage of affordable home ownership opportunities for moderate-income families.
- Problem Property Strategies – designed to address specific barriers to the revitalization process through the Rehab and Sale Program and the Home ownership Promotion Program.
- Neighborhood Commercial Management – assessment and analysis of commercial districts and markets; partnership organization; strategy development; and program implementation.
- Mutual Housing Association – offering its members a housing option "between home



ownership and rental." and enabling low and moderate-income families to acquire a quality home at affordable costs.

With increasing skill, Neighborhood Reinvestment and NHS partnerships are building on achievements throughout the country, the result is readily apparent in the enhanced quality of neighborhood life.

For further information on programs in Massachusetts:

**CONTACT:**

**Neighborhood Reinvestment**  
131 State Street, Suite 416  
Boston, MA 02109  
(617) 223-7675

**Quincy NHS**  
444 Washington Street  
Quincy, MA 02169  
(617) 770-2227

**Springfield NHS**  
111 Wilbraham Road  
Springfield, MA 01109  
(413) 739-4737

**Lawrence NHS**  
154 Oxford Street  
Lawrence, MA 01841  
(617) 682-9010

**Boston NHS**  
33 Harrison Ave.  
Boston, MA 02111  
(617) 350-7071

**Mission Hill NHS**  
1530 Tremont Street  
Boston, MA 02120  
(617) 442-5449

**Uphams Corner NHS**  
584 Columbia Road, P.O. Box 700  
Dorchester, MA 02125  
(617) 282-2900

**Mt. Bowdoin/Glenway NHS**  
7 Bowdoin Street  
Dorchester, MA 02124  
(617) 265-7934

**Chelsea NHS**  
162 Shawmut Street  
Chelsea, MA 02150  
(617) 889-1375

**Cambridge NHS**  
678 Massachusetts Ave.  
Cambridge, MA 02139  
(617) 491-1545

## PROPERTY IMPROVEMENT LOAN INSURANCE

### TITLE I

#### FEDERAL-HUD

This program provides loan insurance to lending institutions for loans made to eligible owners or renters. The loans can be used to finance alterations and improvements to homes and non-residential structures. This program can be used effectively in conjunction with local CDBG property rehabilitation programs. Loans are also used to bring units into compliance with HUD minimum property standards for rehabilitation. Maximum loan amounts are \$17,500 for single family units, or \$8,750 per unit for multi-family structures up to a maximum of \$43,750. (See next page: Basic Characteristics of Title I)

#### WHO APPLIES:

Any credit worthy property owner or tenant with a lease at least six months longer than the term of the loan may apply for this assistance.

#### CONTACT:

Any FHA-HUD approved lending institution.

or

Mortgage Credit Branch  
U.S. Department of Housing and Urban Development  
10 Causeway Street  
Boston, MA 02222-1092  
(617) 565-5146

## BASIC CHARACTERISTICS OF TITLE I

Title I is oriented toward conventional lending practices of the private sector more than any other Federal housing program. Loan processing and credit determinations are done by participating financial institutions, and lenders are encouraged to use their normal credit standards in making decisions on individual loans. In fact, the Title I Handbook required lenders to "find borrowers to be solvent with reasonable ability to pay the Obligation", and in other respects (to be) a reasonable credit risk. Normally, the processing of Title I loans takes one week or less. Unlike other Federal housing programs, HUD does not review individual loans at the time of approval, except when the amount of the loan exceeds \$17,500. Such applications involve multi-unit structures and must be sent to the local HUD office for prior approval. The lending institutions originate and service Title I loans from their own funds and collect all payments. HUD's role is to provide insurance against loan defaults. In return for lender payment of an insurance premium amounting to 1/2 % of the net proceeds of each loan, the Federal Government established an "insurance reserve" for every participating lender. Financial institutions can draw on this reserve to defray 90 % of any losses due to default.

Title I loans differ from other lending tools, particularly conventional and federally-insured mortgages. The property improvement loans cannot be used for purchase of property, and refinancing of existing indebtedness is limited to cases where there are existing Title I obligations. Eligibility for Title I loans is not based on the appraised value of the property to be improved or mandated HUD standards. Rather loan decisions are based on the credit-worthiness of applicants as determined by the lending institutions. Such standards



primarily consider an applicant's outstanding indebtedness and/or housing costs (including the projected new obligation) to total income. Previous credit history, as ascertained through a credit check by the lender, is also an important factor in loan decisions.

Regulations pertaining to the lien do not mandate a formal property appraisal, and most participating lenders do not make such appraisals for Title I loans. A title search need not be done unless required by State law. The insured loans shall bear interest at a rate agreed upon between the borrower and the financial institution. Many lenders participate in local housing rehabilitation programs that provide property improvement loans at rates below the current lending rate. HUD regulations require lenders to monitor construction progress on Title I Loans. The lender or its agent shall conduct an on-site inspection on any property improvement loan where the principal obligation is \$7,500 or more and on 10 percent of its property improvement loans where the principal obligation is less than \$7,500. The inspection shall be conducted after receipt of the completion certificate.

Presently occupied; formerly or  
damaged by deterioration, fire  
or other casualty.

**CLASS I - EXISTING STRUCTURES**      If loan is over \$600 net:  
completed for use, new  
residential—completed and  
completed and occupied for 90  
days. Non-residential—completed  
and must have a definite use.

MAX STRUCTURE	MAX IMPROVEMENT		MATURITY	\$
1(a) Completed homes, apts.    Repairs, alterations hotels, office bldgs.    or improvements that hospitals, orphanages,    substantially improve colleges, churches    the basic liveability Manufacturing indus-    or utility: enlarge- trial plants, mobile    ment, flooring, porch    15 YRS    \$17,500 homes (immobile),    roof, plumbing, wiring taxed as real property    painting, plastering, see HUD-4700.1, 1-7a)    heating systems, land- scaping, installed sprinklers, sidewalks, curbs, fences, drives, septic tanks, wells...built-in kitchens, carpeting (4700.1, 1-7)				
(b) Dwelling for two or more families	Alteration, repairs, improvement of ex- isting structure    32 days used or to be used as dwelling for 2 or more families	15 yrs	\$8,750 +\$17,500    unit max. \$43,750	

CLASS II - New Structures

	STRUCTURES	IMPROVEMENT	MATURITY	\$	MAX.	MAX
2(a)	Garages, service bldgs., gasoline stations, industrial commercial bldgs.	Construction of a new structure to be used exclusively for other than residential or agricultural purposes	15 yrs. + 32 days	\$17,500		
2(b)	Barns, service bldgs. bunk houses for itinerant farm laborers	Construction of a new nonresidential structure to be used in whole or in part for agricultural purposes	Unsec'd. 12 yrs. + Secured 15 yrs + 32 days	\$17,500		

This is a guide only: specific rulings on eligible improvements (HUD-4700.1,1-5)



## RENTAL ASSISTANCE PROGRAM

### Section 8

#### FEDERAL-HUD

This program provides funding to local Housing Authorities and Regional Non-Profit housing agencies under contract with EOCD. These agencies assist low and moderate income families and individuals locate affordable housing and contract with the landlord for the rental subsidy. An important element of this program has been the targeting of resources in the areas of neighborhood improvement programs, providing subsidies for a percentage of units located in private developments, and developing Residential and Transitional type housing programs in affiliation with the Executive Office of Health and Human Service and its administering agencies (Department of Mental Health, Department of Social Services).

#### WHO APPLIES:

Local Housing Authorities and Non-Profit Housing Agencies.

#### CONTACT:

Donna Goguen  
Executive Office of Communities and Development  
Bureau of Rental Assistance  
100 Cambridge Street, 17th floor  
Boston, MA 02202  
(617) 727-7132

## RENTAL ASSISTANCE PROGRAM

### CHAPTER 707

#### STATE-EOCD

This program provides funding to local housing authorities or non-profits under contract with EOCD. These agencies in turn help eligible low-income families and individuals locate housing, and contract with the landlord for the rental subsidy. An important element of this program is the targeting of allocations as part of neighborhood improvement programs, providing subsidies for fixed income private market housing projects, and developing residential service programs in affiliation with the Executive Office of Human and its agencies (Department of Mental Health, Department of Social Services, etc.). The program also has a rehabilitation work conducted.

#### WHO APPLIES:

Local housing authorities and designated non-profit housing corporations.

#### CONTACT:

Ann O. Anderson  
Bureau of Rental Assistance  
Executive Office of Communities and Development  
Room 1406  
100 Cambridge Street  
Boston, MA 02202  
(617) 727-7132

## RURAL RENTAL HOUSING

### FEDERAL-FMHA

This Farmers Home Administration (FmHA) program provides mortgage financing for the development of rental housing in communities with a population of less than 10,000, and those towns between 10,000 and 20,000 not located in a Standard Metropolitan Area or contiguous to a larger urban center. Many of Massachusetts' smaller urban centers qualify in this sense as "rural."

Applications are prioritized by the Farmers Home Administration to projects in areas or communities having a higher percentage of substandard housing; projects in areas or communities having the lowest median per capita income; located furthest from urbanized areas; and communities that do not currently have subsidized rental housing. Generally, projects do not exceed 40 units. An eligible borrower may receive an interest credit subsidy which may reduce the interest rate to as low as 1%. This interest rate reduction is passed on to eligible tenants in the form of reduced rental rates.

#### CONTACT:

John Cooper, Chief of Rural Housing Division  
Farmers Home Administration  
451 West Street  
Amherst, MA 01002  
(413) 253-3471



## LABOR FORCE TRAINING AND PLACEMENT ASSISTANCE

Both financial assistance and direct training activities are offered to expanding firms in Massachusetts. It is important to explain that most of the direct training programs are decentralized at the local or regional level. Federally financed training, cash reimbursements and practical training services may be obtained through local or regional agencies. Listed on the following pages are the types of assistance which may be available to an individual firm depending on the needs of that firm.

General information and explanations may be obtained from the Massachusetts Department of Commerce in Boston, Massachusetts.

## BAY STATE SKILLS CORPORATION

### STATE-BSSC

The Bay State Skills Corporation (BSSC) was created in 1982 by the Massachusetts State Legislature to address the education and training issues faced by the Commonwealth's burgeoning high technology industries, and to make jobs within those industries more accessible to Massachusetts residents. BSSC accomplishes this mission by establishing partnerships between education and training organizations and Massachusetts companies to develop industry responsive programs.

Currently BSSC legislation includes three state-supported programs; 50/50 or Industry Responsive Programs, Displaced Homemakers Centers, and Global Education Teacher Resource Centers. Additionally, BSSC receives federal funds from the Department of Public Welfare to provide industry relevant job training for welfare recipients and from the Employment and Training for assistance to the state's 15 Regional Employment Boards. BSSC also oversees the Bay State Center for Applied Technology and MASSJOBS Southeast.

The BSSC approach required Massachusetts educational institutions to collaborate with local companies on the design and delivery of programs. Private sector partners invest their resources at every stage of program operation. Examples of such investment might include instructional support, curriculum development, training equipment, supervised internships, job placement assistance and other contributions which impact program success. The intensive nature of this collaboration between the school and the business community ensures both the level of commitment of private sector partners and that the program and its trainees are geared for the real jobs available in the companies represented.

BSSC supports a diversity of skills training programs of various levels within specific categories (clusters) of current industry need (including employed populations), business development, and high growth potential. Funding categories over the past few years have included: Biomedical, Biotechnology, Export Education, Health Care, Manufacturing, and Environmental.

Future work of the Corporation will emphasize tying BSSC's work explicitly with the Commonwealth's broader economic development policy and workforce development agendas; and assisting through program design and development of business and education partnerships, the Commonwealth's education reform plans.

Currently BSSC programs are described on the following pages: Bay State Centers for Displaced Homemakers; MASSJOBS; Bay State Centers for Global Education, Bay State Center for Applied Technology; and MASSJOBS Southeast.

**CONTACT:**

Dr. Erik Payne Butler  
Executive Director  
Bay State Skills Corporation  
101 Summer St., 2nd floor  
Boston, MA 02110  
(617) 292-5100



## BAY STATE SKILLS CORPORATION

### Bay State Centers for Displaced Homemakers

The Bay State Corporation is a multi-faceted agency addressing the need for a skilled work force in Massachusetts. One BSSC component which provides some of the skilled workers is the Displaced Homemaker Program.

In 1975, activist Tish Sommers coined the term "displaced homemaker" to represent a phenomenon that had reached crisis proportion. Displaced Homemakers are persons who, because of a spouse's death, disability, divorce or loss of public assistance, must enter the work force in order to pay the bills and feed the kids. There are an estimated 15 million such persons, mostly women, in the United States today, more than 357,000 of whom live in Massachusetts.

Since 1979, when state funds were first appropriated, the Massachusetts Displaced Homemaker Program has grown into a state wide program called the Bay State Centers for Displaced Homemakers. There are 5 key regions and 12 offices providing counseling, workshops, skills training, education programs and job placement assistance. In 1991 Displaced Homemaker services, with \$865,000 provided the path to economic self sufficiency for more than 1,400 individuals.

#### CONTACT:

Donna M. LeClair, State Director  
Displaced Homemakers  
Bay State Skills Corporation  
101 Summer St., 2nd floor  
Boston, MA 02110  
(617) 292-5100

## Training for Welfare Recipients - ET CHOICES

BSSC has been part of the state's ET CHOICES (now MASSJOBS) Program to develop skills training programs that enable welfare recipients to become economically self-sufficient since 1983. BSSC skills training programs include education, specific marketable skills training, job development and strong support services. In FY'91, BSSC awarded 25 contracts of more than \$1.4 million to programs serving 487 individuals in skills training and 111 in pre-vocational training. In MH/MR and day care fields, the Departments of Education, Mental Health and Mental Retardation and the Office of Children joined BSSC to provide funding to serve low-income but non-welfare individuals as well.

With health and human services sectors expected to continue to grow, BSSC focused on these areas in FY's 91 and 92, funding entry-level skills training in health care, mental health/mental retardation, day care teaching, biotechnology and clerical, programs in specialized legal and medical service areas. In FY'92, BSSC also funded three upgrading programs in day care and MH/MR. Two new bi-lingual skills training programs in dental assisting and office skills were started. BSSC also funded two intensive "vestibule" programs to prepare students for more advanced skills training in health careers, such as surgical or ultra sound technician and ophthalmic assistant.

Private sector donations to the BSSC ET programs over the past eight years exceeded \$5 million for a match of almost 83% on actual expenditures. (The required match is 20%.) These corporate contributions continue to grow and are the basis of strong industry/education partnerships.

Strong support services and internships are integral parts of BSSC's skills training programs. In an effort to address the needs of the whole person, all BSCC welfare training programs provide personal and vocational counselling, training-related internships, job placement and follow-up job coping assistance. Private sector/employer partners and community service agencies also provide job search advice, career advancement guidance and life skills workshops (time management, coping with stress), along with donated equipment, tours, lectures and other assistance.

Keeping up with future career trends for FY'93 BSSC will explore possibilities for developing welfare skills training programs in areas of telecommunications and workplace training, and will seek to expand training in the field of biotechnology.

**CONTACT:**

Caroline J. Stouffer  
MassJOBS/Welfare Program Manager  
Bay State Skills Corporation  
101 Summer Street  
Boston, MA 02110  
(617) 292-5100



## Bay State Centers for Global Education

The Bay State Centers for Global Education (BSCGE), a program of the Bay State Skills Corporation, is network of five K-12 teacher resource and training centers located in key regions of Massachusetts. The program was created in 1987.

The BSCGE which is innovative both in its design as a teacher resource network and as a partner program with post-secondary institutions and local industries, works successfully within schools to bring a global perspective to the K-12 classroom. The five program sites, located at the University of Massachusetts in Amherst, Clark University (Worcester), Framingham State College, Wellesley College, and Bently College/Winchester School Department, each serve a specific geographic region covering between 20 and 30 school systems.

The Centers have many common aspects. Each Center runs a speakers bureau primarily comprised of foreign students and faculty with geographic expertise who provide guest lectures in area classrooms; a resource library of curricular material, and a series of 1/2-day, day and week-long seminars and conferences on various topics in global education. Additionally, each Center provides min-grants of \$50 to \$500 dollars to individual teachers or teams of teachers to develop unique activities or materials for curriculum enhancement.

There are also activities which are distinct to the individual Centers. For example, the Wellesley College Center operates a "Passport" reading program which encourages school children to read books from and about other countries. The Clark University Center organizes

an annual "Citizens Bee" for which area high school students write essays and answer questions about world citizenship. Framingham State College operates evening dinner meetings which allow private business representatives, school teachers, and local legislators to discuss issues of both local and global importance. Many other examples of creative programming exist within these Centers.

Currently, each BSCGE site serves approximately 750 teachers on a direct and ongoing basis. In addition to these 750 teachers, the network also reaches about 1,000 more teachers through phone consultations (call-in requests) and large audience conferences. Also, approximately 2,000 K-12 students directly participate annually in BSCGE events and classroom presentations. The program impacts another 20,000 or so students indirectly through implementation of new curricula by teacher participants.

**CONTACT:**

Eleni Papadakis/Donna M. LeClair  
Co-Coordiators BSCGE  
Bay State Skills Corporation  
101 Summer St., 2nd floor  
Boston, MA 02110  
(617) 292-5100

## BAY STATE SKILLS CORPORATION

### BAY STATE CENTER FOR APPLIED TECHNOLOGY

The newest program at BSSC is the Bay State Center for Applied Technology (BSCAT). The Center's mission is to enhance Massachusetts' industrial competitiveness by offering practical and affordable state-of-the-art business and manufacturing practices to small and medium-sized companies in Massachusetts. BSCAT provides development and technical assistance to Massachusetts' directly to small and medium-sized manufacturers to help them make better, productive decisions on investments in growth and change in their operations, technologies and firm organization.

The Center maintains a network of experienced manufacturing consultants drawn from the private sector and, for example, engineering faculty of our major universities. Through this network, the Center offers small firms access to manufacturing expertise that they may not have in house or cannot afford. In most cases, the Center provides a portion of the consulting costs. The Center is also active in helping firms collaborate in manufacturing networks. Through networks small firms can work together to leverage resources and market strength. The Center sponsors networks in areas of market development, workforce development, quality systems and technology transfer.

Other areas of the Center's services to industry include: hands on workshops in effective shop techniques; development of manufacturing (cost estimating and scheduling) software specifically designed for smaller firms; and consultation in effective design of new work systems for productivity and quality.



Some examples of the Center's technical assistance are:

**MANUFACTURING EQUIPMENT SELECTION AND SPECIFICATION**

**MACHINE DESIGN**

**FACILITIES AND MATERIAL HANDLING PLANNING**

**COMPUTER BASED WORK LOAD AND SHOP CONTROL SYSTEMS**

**SELF-DIRECTED WORK GROUPS FOR PRODUCTIVITY AND QUALITY**

**SKILL AND KNOWLEDGE DEVELOPMENT FOR FLEXIBILITY**

**START-UP PLANNING FOR FACILITIES AND RESOURCES**

**STRATEGIES FOR INCREASED PRODUCTIVITY AND EFFICIENCY**

**CONTACT:**

John Hoops

Director

Bay State Center for Applied Technology/BSSC

101 Summer St., 2nd floor

Boston, MA 02110

(617) 292-5100

## BAY STATE SKILLS CORPORATION

### **MASSJOBS Southeast**

The MASSJOBS Southeastern Program (MJSE) was created in 1986 as a regional initiative to provide customized human resource and economic development assistance to companies seeking to locate, expand, or modernize in Southeastern Massachusetts. Since the inception of MJSE, its flexible funds have been strategically deployed to assist local companies, workers, and policy makers adjust to structural changes taking place in the Southeastern Massachusetts economy by acting as a catalyst to enhance the ability of existing education, training or economic development agencies. MJSE's innovative pilot programs demonstrate new approaches to assist companies and workers (E.G. Human Capital Revolving Loan Fund) by exploring ways existing agencies can combine and specially target their resources. Additionally, MJSE supports regional economic research and development programs which are part of long-term strategic planning efforts.

Although MJSE's funds have been dramatically reduced, the efforts to support Southeastern Massachusetts companies are ongoing. Economic Development monies will be used for public relations and marketing activities to promote the cities and towns of Southeastern Massachusetts. Training priorities include: Human Capital Revolving Loan Fund; Employee Upgrade or Training; Entry-level Training; and Regional Economic Research and Development Programs.

#### CONTACT:

Ro-Adrienne Davidson  
Director, 50/50 Program  
Bay State Skills Corporation  
101 Summer St., 2nd floor  
Boston, MA 02110  
(617) 292-5100

## DEPARTMENT OF EMPLOYMENT AND TRAINING

The Department of Employment and Training (D.E.T.) is Massachusetts' lead Jobs Agency, providing job seekers and employers with quality employment and training services. D.E.T. services include job counseling, job search workshops, training opportunities, access to over 18,000 computerized job and training opportunities, unemployment insurance benefits and more. For employers, D.E.T. pre-screens and refers qualified candidates to fill their job openings as well as provides labor market information for their business planning.

Since a 1988 merge with the Office of Training & Employment Policy, D.E.T. also administers training programs under the federal Jobs Training Partnership Act (JTPA). Funding is distributed through grants to training programs in 15 Service Delivery Area (SDAs) across the state for developing and conducting ongoing training.

Under state legislation, local employment and training activities, including SDA programs, are overseen by Regional Employment Boards (formally known as Private Industry Councils). These Regional Employment Boards (REBs)— comprised of representatives from business, local government, education and labor— actively seek business' voice in planning services that match industry needs and worker skills.

### **CONTACT:**

Massachusetts Department of Employment and Training  
Customer Service Department  
19 Staniford Street  
Boston, MA 02114  
General Information: (617) 727-8660





